
**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, 2021

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

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

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

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

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

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

As of August 5, 2021, the number of shares outstanding of the registrant's common stock was as follows: Class A common stock, par value \$0.01 per share: 15,180,000; Class B common stock, par value \$0.01 per share: 82,110,174.

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TASKUS, INC.
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FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021
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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 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” 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. Our actual results or outcomes may differ materially from those anticipated. 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. This summary should be read in conjunction with the more complete discussion of the risk factors we face, which are set forth under “Risk Factors” in our prospectus dated June 10, 2021 (the “prospectus”), as filed with the Securities and Exchange Commission (the “SEC”) on June 14, 2021 pursuant to Rule 424(b)(4) under the Securities Act, and in this Quarterly Report, as such risk factors may be 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:

- our business is dependent on key clients, and the loss of a key client could have an adverse effect on our business and results of operations;
- a loss of business or non-payment from significant clients could materially affect our results of operations;
- we may fail to cost-effectively acquire new, high-growth clients, which would adversely affect our business, financial condition and results of operations;
- if we provide inadequate service or cause disruptions in our clients’ businesses or 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;
- 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;
- because content moderation is a large portion of our business we may be subject to negative publicity or liability or face difficulties retaining and recruiting employees, any of which could have an adverse effect on our reputation, business, financial condition and results of operations;
- our failure to detect and deter criminal or fraudulent activities or other misconduct by our employees could result in loss of trust from our clients and negative publicity, which would have an adverse effect on our business and results of operations;
- global economic and political conditions, especially in the social media and meal delivery and transport industries from which we generate most of our revenue, could adversely affect our business, results of operations, financial condition and 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 U.S. and international laws and regulations, including those regarding privacy and data security, and we or our clients may be subject to regulations related to the handling and transfer of certain types of sensitive and confidential information; any failure to comply with applicable privacy and data security laws and regulations could harm our business, results of operations and financial condition;
- our business depends in part on our capacity to invest in technology as it develops, and substantial increases in the costs of technology and telecommunications services or our inability to attract and retain the necessary technologists could have a material adverse effect on our business, financial condition, results of operations and prospects;

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- our results of operations and ability to grow could be materially affected if we cannot adapt our services and solutions to changes in technology and client expectations;
- fluctuations against the U.S. dollar in the local currencies in the countries in which we operate could have a material effect on our 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 expand our client base will be impaired and our business and operating results will be adversely affected;
- competitive pricing pressure may reduce our revenue or gross profits and adversely affect our financial results;
- the success of our business depends on our senior management and key employees;
- our management team has limited experience managing a public company;
- the ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, has adversely impacted our business, financial condition and results of operations, and may continue to do so;
- affiliates of The Blackstone Group Inc. and our Co-Founders Bryce Maddock and Jaspar Weir control us and their interests may conflict with ours or yours in the future; and
- the dual class structure of our common stock will have the effect of concentrating voting control with those stockholders who held our common stock prior to the completion of our initial public offering, and it may depress the trading price of our Class A common stock.

We urge you to carefully consider the foregoing summary together with the risks discussed under “Risk Factors” in the prospectus 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 and our social media outlets, such as Facebook, Instagram, Youtube, LinkedIn, and Twitter 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 Twitter account at twitter.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 “Email Alerts” section at 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)

Assets	June 30, 2021	December 31, 2020
Current assets:		
Cash	\$ 195,927	\$ 107,728
Accounts receivable, net of allowance for doubtful accounts of \$2,691 and \$2,294, respectively	127,867	87,782
Other receivables	439	105
Prepaid expenses	9,667	13,032
Income tax receivable	—	1,606
Other current assets	2,471	1,051
Total current assets	<u>336,371</u>	<u>211,304</u>
Noncurrent assets:		
Property and equipment, net	63,060	56,957
Deferred tax assets	575	585
Intangibles	230,871	240,295
Goodwill	195,735	195,735
Other noncurrent assets	3,006	2,630
Total noncurrent assets	<u>493,247</u>	<u>496,202</u>
Total assets	<u>\$ 829,618</u>	<u>\$ 707,506</u>
Liabilities and Shareholders' Equity		
Liabilities:		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 43,494	\$ 41,935
Accrued payroll and employee-related liabilities	171,690	21,994
Current portion of debt	48,510	45,984
Current portion of income tax payable	1,586	—
Deferred revenue	5,810	4,711
Deferred rent	303	218
Total current liabilities	<u>271,393</u>	<u>114,842</u>
Noncurrent liabilities:		
Income tax payable	2,988	2,988
Long-term debt	193,525	198,768
Deferred rent	2,573	2,194
Accrued payroll and employee-related liabilities	2,640	2,641
Deferred tax liabilities	40,474	50,936
Total noncurrent liabilities	<u>242,200</u>	<u>257,527</u>
Total liabilities	<u>513,593</u>	<u>372,369</u>
Commitments and Contingencies (See Note 8)		
Shareholders' equity:		
Class A Common stock, \$0.01 par value. Authorized 2,500,000,000; 15,180,000 and no shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	152	—
Class B Convertible Common stock, \$0.01 par value. Authorized 250,000,000; 82,110,174 and 91,737,020 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	821	917
Additional paid-in capital	519,817	398,202
Accumulated deficit	(206,834)	(67,398)
Accumulated other comprehensive income	2,069	3,416
Total shareholders' equity	<u>316,025</u>	<u>335,137</u>
Total liabilities and shareholders' equity	<u>\$ 829,618</u>	<u>\$ 707,506</u>

See accompanying notes to unaudited condensed consolidated financial statements.

[Table of Contents](#)**TASKUS, INC.**Unaudited Condensed Consolidated Statements of Operations
(in thousands, except share and per share data)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Service revenue	\$ 180,022	\$ 114,400	\$ 332,893	\$ 216,829
Operating expenses:				
Cost of services	103,798	64,135	191,828	125,918
Selling, general, and administrative expense	177,810	25,709	209,308	51,440
Depreciation	6,729	5,815	12,932	10,529
Amortization of intangible assets	4,712	4,712	9,424	9,424
Loss (gain) on disposal of assets	1	—	28	(5)
Contingent consideration	—	3,570	—	3,570
Total operating expenses	293,050	103,941	423,520	200,876
Operating (loss) income	(113,028)	10,459	(90,627)	15,953
Other (income) expense	(1,659)	(1,137)	(905)	260
Financing expenses	1,594	1,959	3,175	4,202
(Loss) income before taxes	(112,963)	9,637	(92,897)	11,491
(Benefit from) provision for income taxes	(7,020)	1,629	(3,461)	1,968
Net (loss) income	\$ (105,943)	\$ 8,008	\$ (89,436)	\$ 9,523
Net (loss) income per common share, basic and diluted	\$ (1.14)	\$ 0.09	\$ (0.97)	\$ 0.10
Weighted-average number of common shares outstanding, basic and diluted	92,957,493	91,737,020	92,347,257	91,737,020

See accompanying notes to unaudited condensed consolidated financial statements.

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

	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Net (loss) income	\$ (105,943)	\$ 8,008	\$ (89,436)	\$ 9,523
Retirement benefit reserves	(3)	3	(8)	2
Foreign currency translation adjustments	(489)	1,230	(1,339)	1,007
Comprehensive (loss) income	\$ (106,435)	\$ 9,241	\$ (90,783)	\$ 10,532

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 income	Total shareholders' equity
	Class A Common stock		Class B Common stock		Additional paid-in capital			
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2019	—	\$ —	91,737,020	\$ 917	\$398,202	\$ (101,931)	\$ 312	\$ 297,500
Net income	—	—	—	—	—	1,515	—	1,515
Other comprehensive loss	—	—	—	—	—	—	(224)	(224)
Balance as of March 31, 2020	—	\$ —	91,737,020	\$ 917	\$398,202	\$ (100,416)	\$ 88	\$ 298,791
Net income	—	—	—	—	—	8,008	—	8,008
Other comprehensive income	—	—	—	—	—	—	1,233	1,233
Balance as of June 30, 2020	—	\$ —	91,737,020	\$ 917	\$398,202	\$ (92,408)	\$ 1,321	\$ 308,032
	Capital stock and additional paid-in capital							
	Class A Common stock		Class B Common stock		Additional paid-in capital	Accumulated Deficit	Accumulated other comprehensive income	Total shareholders' equity
Balance as of December 31, 2020	—	\$ —	91,737,020	\$ 917	\$398,202	\$ (67,398)	\$ 3,416	\$ 335,137
Net income	—	—	—	—	—	16,507	—	16,507
Other comprehensive loss	—	—	—	—	—	—	(855)	(855)
Balance as of March 31, 2021	—	\$ —	91,737,020	\$ 917	\$398,202	\$ (50,891)	\$ 2,561	\$ 350,789
Issuance on Class A Common stock in the initial public offering primary offering, net of underwriters' fees and offering costs	5,553,154	56	—	—	115,844	—	—	115,900
Conversion of Class B Common stock	9,626,846	96	(9,626,846)	(96)	—	—	—	—
Stock-based compensation expense	—	—	—	—	5,771	—	—	5,771
Distribution of dividends (\$0.55 per share)	—	—	—	—	—	(50,000)	—	(50,000)
Net loss	—	—	—	—	—	(105,943)	—	(105,943)
Other comprehensive loss	—	—	—	—	—	—	(492)	(492)
Balance as of June 30, 2021	<u>15,180,000</u>	<u>\$ 152</u>	<u>82,110,174</u>	<u>\$ 821</u>	<u>\$519,817</u>	<u>\$ (206,834)</u>	<u>\$ 2,069</u>	<u>\$ 316,025</u>

See accompanying notes to unaudited condensed consolidated financial statements.

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

	<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Net (loss) income	\$ (89,436)	\$ 9,523
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Depreciation	12,932	10,510
Amortization of intangibles	9,424	9,424
Amortization of debt financing fees	247	228
Loss (gain) on disposal of assets	28	(5)
Provision for losses on accounts receivable	465	1,297
Unrealized foreign exchange losses for forward contracts	1,730	178
Deferred taxes	(10,462)	(2,157)
Stock-based compensation expense	5,771	—
Changes in operating assets and liabilities:		
Accounts receivables	(41,195)	(22,007)
Other receivables, prepaid expenses, and other current assets	(4,398)	(430)
Other noncurrent assets	(415)	(343)
Accounts payable and accrued liabilities	5,537	7,976
Accrued payroll and employee-related liabilities	150,543	4,003
Income tax payable	3,304	2,896
Deferred revenue	1,100	970
Deferred rent	502	540
Net cash provided by operating activities	<u>45,677</u>	<u>22,603</u>
Cash flows from investing activities:		
Purchase of property and equipment	(23,453)	(18,815)
Net cash used in investing activities	<u>(23,453)</u>	<u>(18,815)</u>
Cash flows from financing activities:		
Proceeds from borrowing, Revolving credit facility	—	39,878
Payments on long-term debt	(2,625)	(525)
Payments for debt financing fees	(340)	—
Issuance of common stock, net of underwriters' fees	120,698	—
Distribution of dividends	(50,000)	—
Net cash provided by financing activities	<u>67,733</u>	<u>39,353</u>
Increase in cash and cash equivalents	89,957	43,141
Effect of exchange rate changes on cash	(1,758)	1,429
Cash and cash equivalents at beginning of period	107,728	37,541
Cash and cash equivalents at end of period	<u>\$ 195,927</u>	<u>\$ 82,111</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. (formerly known as TU TopCo, Inc.) (“TaskUs” and, together with its subsidiaries, the “Company,” “we,” “us” or “our”) was formed by investment funds affiliated with The Blackstone Group Inc. (formerly known as The Blackstone Group L.P.) (“Blackstone”) as a vehicle for the acquisition of TaskUs Holdings, Inc. (formerly known as TaskUs, 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.

In connection with the Company’s June 2021 initial public offering (“IPO”), on June 10, 2021, the Company amended and restated its certificate of incorporation to effect a ten-for-one forward stock split of its outstanding common stock and authorized two classes of ownership interests. See Note 11, “Shareholders’ Equity” for additional information.

We are a digital outsourcer focused on serving high-growth technology companies to represent, protect and grow their brands. Our global, omni-channel delivery model is focused on Digital Customer Experience, Content Security and artificial intelligence (“AI”) Operations. We have designed our platform to enable us to rapidly scale and benefit from our clients’ growth. Through our agile and responsive operational model, we deliver services from multiple delivery sites that span globally from the United States, Philippines, and other parts of the world.

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

- *Digital Customer Experience*: Principally consists of omni-channel customer care services primarily delivered through digital (non-voice) channels.
- *Content Security*: Principally consists of review and disposition of user and advertiser generated content for purposes which include removal or labeling of policy violating, offensive or misleading content.
- *AI Operations*: Principally consists of data labeling, annotation and transcription services performed for the purpose of training and tuning AI algorithms through the process of machine learning.

(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 prospectus dated June 10, 2021 (the “prospectus”), as filed with the Securities and Exchange Commission (the “SEC”) on June 14, 2021, includes a discussion of the significant accounting policies used in the preparation of our consolidated financial statements. There were no material changes to our significant accounting policies during the six months ended June 30, 2021.

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, 2020 included in our prospectus. 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, 2021 and its results of operations, comprehensive (loss) income and shareholders’ equity for the three and six months ended June 30, 2021 and 2020, and cash flows for the six months ended June 30, 2021 and 2020. The condensed consolidated balance sheet at December 31, 2020, was derived from audited annual financial statements but does not contain all of the footnote disclosures from the annual financial statements.

The accompanying financial statements and related notes to the financial statements give retroactive effect to the stock split for all periods presented. See Note 11, “Shareholders’ Equity” for additional information.

(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 doubtful accounts and other receivables; the valuation of deferred tax assets; valuation of forward contracts receivable; valuation of equity based compensation; valuation and impairment of intangibles and goodwill and reserves for income tax uncertainties and other contingencies. As of June 30, 2021, the impact of the novel coronavirus (“COVID-19”) pandemic, including as a result of new strains and variants of the virus, continues to unfold. As a result, many of our estimates and assumptions required increased judgement and carry a higher degree of variability and volatility. We continue to closely monitor the outbreak and the impact on our operations and liquidity. As events continue to evolve and additional information becomes available, our estimates may change materially in the future.

(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 involvement with variable interest entities.

(d) Concentration Risk

Most of the Company’s customers are located in the United States. Customers outside of the United States are concentrated in Europe and Canada.

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For the three and six months ended June 30, 2021 and 2020, the following customers represented greater than 10% of the Company's service revenue:

Customer	Service revenue percentage			
	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
A	27%	33%	28%	32%
B	12%	16%	12%	14%

As of June 30, 2021 and December 31, 2020, the following customers represented greater than 10% of the Company's accounts receivable:

Customer	Accounts receivable percentage	
	June 30, 2021	December 31, 2020
A	14%	22%
B	16%	16%

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 adopted accounting pronouncements

In December 2019, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes (“ASU 2019-12”). ASU 2019-12 was issued as a means to reduce the complexity of accounting for income taxes for those entities that fall within the scope of the accounting standard. The guidance is to be applied using a prospective method, excluding amendments related to franchise taxes, which should be applied on either a retrospective basis for all periods presented or a modified retrospective basis through a cumulative-effect adjustment to retained earnings as of the beginning of the fiscal year of adoption. ASU 2019-12 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. The Company adopted this standard in the first quarter of 2021; the adoption did not have a material impact on its consolidated financial statements.

Recently issued accounting pronouncements

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes FASB Accounting Standards Codification (ASC), Leases (Topic 840). The standard is intended to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheets and disclosing key information about leasing arrangements. In June 2020, the FASB postponed the effective date for ASC 842 for private companies. This ASU will be effective for the Company beginning in fiscal year 2022, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2016-02 on the Company’s consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. The revised standard relates to measurement of credit losses on financial instruments, and requires financial assets measured at amortized cost to be presented at the net amount expected to be collected. The guidance replaces the incurred loss model with an expected loss model referred to as current expected credit loss (CECL). The CECL model requires us to measure lifetime expected credit losses for financial instruments held at the reporting date using historical experience, current conditions and reasonable supportable forecasts. The guidance expands the disclosure requirements regarding an entity’s assumptions, models, and methods for estimating credit losses and requires new disclosures of the amortized cost balance for each class of financial asset by credit quality indicator, disaggregated by the year of origination. This ASU will be effective for the Company beginning in fiscal year 2023 with early adoption is permitted. The Company is currently evaluating the impact of adopting ASU 2016-13 on the Company’s consolidated financial statements.

(3) Revenue

Disaggregation of Revenue

Our revenues are derived from contracts with customers related to business outsourcing services that we provide. The following table presents the breakdown of the Company’s revenues by service offering:

(in thousands)	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Digital Customer Experience	\$ 113,566	\$ 71,345	\$ 213,277	\$ 136,562
Content Security	42,995	31,076	79,122	57,614
AI Operations	23,461	11,979	40,494	22,653
Service Revenue	\$ 180,022	\$ 114,400	\$ 332,893	\$ 216,829

The majority of the Company’s revenues are derived from contracts with customers who are located in the United States. However, we deliver our 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)	<u>Three months ended June 30,</u>		<u>Six months ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Philippines	\$ 95,681	\$ 62,842	\$ 180,259	\$ 118,716
United States	58,930	43,429	109,687	84,074
Rest of World	25,411	8,129	42,947	14,039
Service Revenue	\$ 180,022	\$ 114,400	\$ 332,893	\$ 216,829

Contract Balances

Accounts receivable, net of allowances includes \$71.7 million and \$47.4 million of unbilled revenues as of June 30, 2021 and December 31, 2020, respectively.

(4) Forward Contract Receivable

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 2021 and 2020, the Company entered into foreign currency exchange rate forward contracts, with a commercial bank as the counterparty, with maturities of generally 12 months or less, to reduce the volatility of cash flows primarily related to forecasted costs denominated in Philippine 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. The exchange rate forward contracts entered into by the Company are not designated as hedging instruments. Any gains or losses resulting from changes in the fair value of these contracts are recognized in other (income) expense in the consolidated statements of operations.

For the three months ended June 30, 2021 and 2020 the Company settled forward contracts with total notional amounts of approximately \$22.8 million, and \$18.0 million, respectively and for the six months ended June 30, 2021 and 2020 the Company settled forward contracts with total notional amounts of approximately \$45.6 million, and \$36.0 million, respectively. For the three months ended June 30, 2021 and 2020, realized gains of approximately \$0.6 million and \$0.9 million, respectively, resulting from the settlement of forward contracts were included within other (income) expense. For the six months ended June 30, 2021 and 2020, realized gains of approximately \$1.4 million and \$1.6 million, respectively, resulting from the settlement of forward contracts were included within other (income) expense.

As of June 30, 2021 and December 31, 2020, the Company had outstanding forward contracts with notional amounts of approximately \$116.6 million and \$109.2 million, respectively. The forward contract receivable resulting from change in fair value was recorded under other current assets. For the three months ended June 30, 2021 and 2020, the unrealized gains on the forward contracts of \$0.1 million and \$1.3 million, respectively, were included within other (income) expense. For the six months ended June 30, 2021 and 2020, the unrealized losses on the forward contracts of \$1.7 million and \$0.2 million, respectively, were included within other (income) expense.

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. 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

The Company has implemented the fair value accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

The following table presents information about the Company's assets that are measured at fair value on a recurring basis at June 30, 2021 and December 31, 2020 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value.

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	Fair value measurements using			
	June 30, 2021	Level 1 inputs	Level 2 inputs	Level 3 inputs
(in thousands)				
Forward contract receivable	\$ 50	\$ —	\$ 50	\$ —

	Fair value measurements using			
	December 31, 2020	Level 1 inputs	Level 2 inputs	Level 3 inputs
(in thousands)				
Forward contract receivable	\$ 1,780	\$ —	\$1,780	\$ —

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. Derivative valuations incorporate credit risk adjustments that are necessary to reflect the probability of default by the counterparty or by the Company.

(5) Property and Equipment, net

The components of Property and equipment, net at June 30, 2021 and December 31, 2020 were as follows:

	June 30, 2021	December 31, 2020
(in thousands)		
Leasehold improvements	\$ 30,972	\$ 31,654
Technology and computers	62,678	47,572
Furniture and fixtures	4,023	4,203
Construction in process	8,724	5,194
Other property and equipment	6,309	5,995
Property and equipment, gross	112,706	94,618
Accumulated depreciation	(49,646)	(37,661)
Property and equipment, net	\$ 63,060	\$ 56,957

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 the geographic location as of June 30, 2021 and December 31, 2020:

	June 30, 2021	December 31, 2020
(in thousands)		
Philippines	\$39,825	\$ 37,823
United States	10,019	8,983
Rest of World	13,216	10,151
Total Property and equipment, net	\$63,060	\$ 56,957

(6) Goodwill and Intangibles

The carrying amount of goodwill as of June 30, 2021 and December 31, 2020 was \$195.7 million.

Intangible assets consisted of the following as of June 30, 2021 and December 31, 2020:

(in thousands)	Intangibles, Gross	Life (Years)	Accumulated Amortization	Intangibles, Net
Customer relationships	\$ 240,800	15	\$ (44,148)	\$ 196,652
Trade name	41,900	15	(7,681)	34,219
Balance as of June 30, 2021	\$ 282,700		\$ (51,829)	\$ 230,871

(in thousands)	Intangibles, Gross	Life (Years)	Accumulated Amortization	Intangibles, Net
Customer relationships	\$ 240,800	15	\$ (36,121)	\$ 204,679
Trade name	41,900	15	(6,284)	35,616
Balance as of December 31, 2020	\$ 282,700		\$ (42,405)	\$ 240,295

(7) Long-Term Debt

The balances of current and non-current portions of debt consist of the following as of June 30, 2021:

(in thousands)	Current	Noncurrent	Total
Term Loan	\$ 9,188	\$ 194,775	\$203,963
Revolver	39,878	—	39,878
Less: Debt financing fees	(556)	(1,250)	(1,806)
Total	\$48,510	\$ 193,525	\$242,035

2019 Credit Agreement

On September 25, 2019, the Company entered into a credit agreement (the “2019 Credit Agreement”) that included a \$210.0 million term loan (the “Term Loan Facility”) and a \$40.0 million revolving credit facility (the “Revolving Credit Facility” and, together with the Term Loan Facility, the “2019 Credit Facilities”). On April 30, 2021, the Company entered into Amendment No. 1 to our 2019 Credit Agreement with the existing lenders providing for \$50.0 million incremental revolving credit commitments on the same terms as our existing revolving credit facility. We accounted for this amendment as a debt modification and recorded \$0.3 million of debt financing fees which will be amortized, along with previously deferred fees, over the remaining term of the Revolving Credit Facility.

Principal payments on the Term Loan Facility are due quarterly in arrears equal to installments in an aggregate annual amount equal to (i) 1.0% per annum of the original principal amount in the first year, (ii) 2.5% per annum of the original principal amount in the second year, (iii) 5.0% per annum of the original principal amount in the third year, (iv) 7.5% per annum of the original principal amount in the fourth year and (v) 10.0% per annum of the original principal amount in the fifth year, with the remaining principal due in a lump sum at the maturity date of September 25, 2024. The interest rate in effect with respect to the Term Loan Facility as of June 30, 2021 was 2.345%.

The Revolving Credit Facility provides the Company with access to a \$15.0 million letter of credit facility and a \$5.0 million swing line facility, each of which, to the extent used, reduces borrowing availability under the Revolving Credit Facility. The Revolving Credit Facility expires on September 25, 2024, and requires a commitment fee of 0.4% on undrawn commitments paid quarterly in arrears. As of June 30, 2021, the interest rate in effect was 2.345% on outstanding borrowings under the Revolving Credit Facility. As of June 30, 2021, we had \$50.1 million of borrowing availability under the Revolving Credit Facility.

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The 2019 Credit Agreement contains certain restrictive financial covenants and also limits additional borrowings, capital expenditures, and distributions. The Company was in compliance with these covenants as of June 30, 2021. Substantially all assets of TU Midco, Inc. and its material domestic subsidiaries are pledged as collateral under this agreement, subject to certain customary exceptions.

(8) Commitments and Contingencies

(a) Legal Proceedings

From time to time, the Company may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. The Company is not currently a party to any material legal proceedings, nor is the Company aware of any pending or threatened litigation that would have a material adverse effect on the Company's business, operating results, cash flows, or financial condition should such litigation be resolved unfavorably.

(b) Contingent Consideration

On October 1, 2018, Bidco acquired 100% of the outstanding shares of TaskUs Holdings, Inc. at a purchase price of \$429.4 million (the "Transaction"). As a part of the Transaction, the Company entered into a Stock Purchase Agreement, which provides that the sellers of TaskUs, Inc. are entitled to receive cash payments for certain tax benefits, if any, realized as a result of the Blackstone Acquisition that are received by the Company for a specified period after the closing date. The Company recorded a liability of \$3.6 million for the expected payment to the sellers, which is included within accounts payable and accrued liabilities in the condensed consolidated balance sheets as of June 30, 2021 and December 31, 2020. The Company received payment for the tax benefits in the six months ended June 30, 2021.

(9) Employee Compensation

Phantom Stock Plan

On June 19, 2015, TaskUs Holdings' board of directors officially adopted a companywide phantom stock plan and related phantom share agreements.

The number of outstanding phantom shares at June 30, 2021 and December 31, 2020 were 511,489 and 651,436, respectively. There were 139,947 phantom shares forfeited during the six months ended June 30, 2021. Because the change in control became probable upon the IPO, the Company recognized expense in the amount of the expected cash settlement totaling \$127.5 million recorded in selling, general, and administrative expense on the condensed consolidated statements of operations for the three and six months ended June 30, 2021. The associated liability was recorded in accrued payroll and employee-related liabilities on the condensed consolidated balance sheets as of June 30, 2021. Pursuant to the terms of the plan, payment to the phantom shareholders in settlement of their vested phantom shares must occur within 30 days following the close of the IPO, or no later than July 15, 2021, at which point there will be zero phantom shares outstanding.

2019 Stock Incentive Plan

On April 16, 2019, the Company established an equity incentive plan pursuant to which the Company has granted option awards to selected executives and other key employees (the "2019 Plan"). The option awards contain service, market and performance conditions. Stock options under this plan contingently vest over a period of two years in the event of a change in control and over a period of three years in the event of an IPO (each as defined in such plan), with the vesting period beginning on the date of the performance event so long as the holder remains employed. The amount of options eligible for vesting is contingent upon Blackstone's return on invested capital in the Company. These options have contractual lives of 10 years. Following the IPO and establishment of the 2021 Omnibus Incentive Plan (the "2021 Plan") as further discussed below, it is not expected that any additional awards will be issued under the 2019 Plan.

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At the date of the IPO, the Company concluded that the public offering represents a qualifying liquidity event that would cause the stock option's performance condition to be probable of occurring. As such, the Company has begun to recognize compensation expense in relation to the stock options.

2021 Omnibus Incentive Plan

In connection with the IPO, the Company adopted the 2021 Plan, which provides for the issuance of non-qualified stock options, incentive stock options, stock appreciation rights ("SARs"), restricted shares of Class A common stock, restricted stock units ("RSUs"), or other equity-based or cash-based awards. A total of 12,160,929 shares of Class A common stock were initially reserved for issuance under the 2021 Plan, subject to automatic annual evergreen increases. On June 10, 2021 in connection with the IPO, the Company granted time-based RSUs, performance-based restricted stock units ("PSUs"), and time-based stock options to its founders and certain other officers and employees under the 2021 Plan.

Stock Options

On June 10, 2021, the Company granted 1,565,398 of stock options to its founders and certain officers and employees with a weighted-average grant date fair value of \$8.15. The stock options issued to such officers and employees (including founders) generally vest quarterly or annually over four years and expire ten years from the date of the grant. The grant date fair value of the stock options was estimated using the Black-Scholes option pricing method with the following assumptions:

Dividend yield (%)	0.0%
Expected volatility (%)	35%
Risk-free interest rate (%)	0.8-1.1%
Expected term (years)	5.1-7.0

As of June 30, 2021, there were 9,139,456 options outstanding with a weighted-average exercise price of \$8.23 per share. As of June 30, 2021, there was \$17.3 million of unrecognized compensation expense related to the Company's unvested stock options that is expected to be recognized over a weighted-average period of 2.3 years.

RSUs

On June 10, 2021, the Company granted 2,528,621 RSUs to its founders and certain officers and employees with a weighted-average grant date fair value of \$23.00. The RSUs are typically subject to service-based vesting conditions and will vest in equal quarterly or annual installments over four years. The related stock-based compensation expense is recognized using a graded vesting method.

As of June 30, 2021, there was \$55.6 million of unrecognized compensation expense related to the Company's unvested RSUs that is expected to be recognized over a weighted-average period of 2.2 years.

PSUs

On June 10, 2021, the Company granted 3,307,060 of PSUs to its founders with a weighted-average grant date fair value of \$3.98. The PSUs contain three tranches and service and market conditions. The PSUs vest

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contingently in annual installments over four years. The amount of PSUs eligible for vesting is contingent upon the achievement of certain enterprise value CAGR targets. The Company will recognize the related stock-based compensation expense using a graded vesting method. The grant date fair value of the PSUs were estimated using the Monte Carlo simulation method with the following assumptions:

Dividend yield (%)	0%
Expected volatility (%)	40%
Risk-free interest rate (%)	0.1-0.5%

As of June 30, 2021, there was \$12.8 million of unrecognized compensation expense related to the Company's unvested PSUs that is expected to be recognized over a weighted-average period of 2.8 years.

The following table summarizes the components of stock-based compensation expense recognized in the Company's condensed consolidated statements of operations for the periods presented:

(in thousands)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Cost of services	\$ 51	\$—	\$ 51	\$—
Selling, general, and administrative expense	133,216	—	133,216	—
Total	<u>\$133,267</u>	<u>\$—</u>	<u>\$133,267</u>	<u>\$—</u>

(10) 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 (benefit from) provision for income taxes of \$(7.0) million and \$1.6 million in the three months ended June, 2021 and 2020, respectively. The effective tax rate was 6.2% and 16.9% for the three months ended June 30, 2021 and 2020, respectively.

The Company recorded (benefit from) provision for income taxes of \$(3.5) million and \$2.0 million in the six months ended June, 2021 and 2020, respectively the effective tax rate was 3.7% and 17.1% for the six months ended June 30, 2021 and 2020. The difference between the effective tax rates and the 21% federal statutory rate in the six months ended June 30, 2021 was primarily due to global intangible low-taxed income ("GILTI") inclusion, tax benefits of income tax holidays in foreign jurisdiction, and nondeductible compensation of officers. The difference between the effective tax rates and the 21% federal statutory rate in the six months ended June 30, 2020 was primarily due to GILTI inclusion, FDII deduction and tax benefits of income tax holidays in foreign jurisdiction.

The Company is subject to income tax in the United States federal, state and various foreign jurisdictions. Federal income tax returns of the Company are subject to IRS examination for the 2017 through 2019 tax years. State income tax returns are subject to examination for the 2016 through 2019 tax years.

The Company's practice and intention are to indefinitely reinvest the earnings of its non-U.S. subsidiaries. Determination of the amount of any unrecognized deferred income tax liability on the temporary difference is not practicable because of the complexities of the hypothetical calculation.

(11) Shareholders' Equity

Dividend Distribution

On April 9, 2021, prior to the IPO, the board of directors declared a cash dividend in the aggregate amount of \$50.0 million to holders of our common stock. The cash dividend was paid on April 16, 2021.

Amendment and Restatement of Certificate of Incorporation

On June 10, 2021, the Company amended and restated its certificate of incorporation to effect a ten-for-one forward stock split of its outstanding common stock and authorized three classes of ownership interests:

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(i) 250,000,000 shares of Preferred Stock, par value \$0.01 per share, (ii) 2,500,000,000 shares of Class A common stock, par value \$0.01 per share, and (iii) 250,000,000 shares of Class B common stock, par value \$0.01 per share. After giving effect to the ten-for-one stock split, all outstanding shares of common stock were reclassified into an equal number of shares of Class B common stock (the “Class B Reclassification”) and the selling shareholders participated equally in the Class B Reclassification.

The rights of the holders of Class A common stock and Class B common stock are identical, except with respect to voting, transfer and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible into one share of Class A common stock at any time or automatically upon certain conditions but no later than 7 years following the filing and effectiveness of the amendment on June 10, 2021.

Initial Public Offering

On June 15, 2021, the Company closed its IPO of 5,553,154 shares of Class A common stock (the “primary” offering) and selling stockholders sold 9,626,846 shares (the “secondary” offering), including shares sold by the selling stockholders pursuant to the underwriters’ full exercise of their option to purchase additional shares, at a public offering price of \$23 per share. The Company received net proceeds of \$120.7 million after deducting underwriting discounts and commissions, but before deducting offering expenses. The Company used the proceeds from the primary offering, together with cash on hand, to satisfy payments of approximately \$127.5 million in respect of vested phantom shares in the third quarter of 2021.

(12) (Loss) Earnings Per Share

Following the effectiveness of the amended and restated certificate of incorporation, the Class B Reclassification and the IPO, 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 accompanying financial statements and related notes to the financial statements give retroactive effect to the stock split for all periods presented. See Note 11, “Shareholders’ Equity” for additional information.

The computation of basic net (loss) income per share (“EPS”) is based on the weighted-average number of shares that were outstanding during the period, including shares of common stock that are issuable at the end of the reporting period. The computation of diluted EPS is based on the number of basic weighted-average shares outstanding plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common stock equivalents. Common stock equivalents consist of shares issuable upon the exercise of stock options and vesting of RSUs and PSUs.

The following table summarizes the computation of basic and diluted EPS for the three and six months ended June 30, 2021 and 2020:

(in thousands, except share and per share data)	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Numerator:				
Net (loss) income Available to Common Shareholders	\$ (105,943)	\$ 8,008	\$ (89,436)	\$ 9,523
Denominator:				
Weighted-average common stock outstanding – basic and diluted	92,957,493	91,737,020	92,347,257	91,737,020
Net (loss) income per share:				
Basic and diluted	\$ (1.14)	\$ 0.09	\$ (0.97)	\$ 0.10

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Since we were in a net loss position for the three and six months ended June 30, 2021, diluted EPS is equal to basic EPS for such periods as the inclusion of potential common stock equivalents would have been anti-dilutive. We excluded 58,513 and 29,256 potential common stock equivalents from the computation of diluted EPS for the three and six months ended June 30, 2021, respectively, because the effect would have been anti-dilutive. In addition, we excluded 4,599,736 and 2,299,868 potential common stock equivalents from the computation of diluted EPS for the three and six months ended June 30, 2021, respectively, since we were in a net loss position; however, these awards would have been dilutive if we were in a net income position. As of June 30, 2021, there were 5,352,056 potential common stock equivalents outstanding, with market conditions which were not met at that date, that were excluded from the calculation of diluted EPS.

(13) Related Party

From time to time, the Company does business with a number of other companies affiliated with Blackstone, which cannot be presumed to be carried out at an arm's-length basis. During the periods presented, Blackstone had an interest in Alight, Inc. ("Alight"), Custom Ink and Mphasis Limited ("Mphasis"), entities that supply TaskUs with certain consulting services and promotional items. During the three months and six months ended June 30, 2021, the Company made payments of \$0.1 million and \$0.4 million, respectively to Alight. During the six months ended June 30, 2021, the Company made payments of \$0.2 million to Custom Ink. During the six months ended June 30, 2020, the Company made payments of \$0.2 million to Mphasis.

During the periods presented, Blackstone had an interest in Vivint Smart Home, Inc. ("Vivint"), North American Bancard, and Custom Ink, entities that are TaskUs customers. During the three months ended June 30, 2021, the Company received payments of \$0.5 million, \$0.5 million, and \$0.5 million from Vivint, North American Bancard and Custom Ink, respectively. During the six months ended June 30, 2021, the Company received payments of \$0.8 million, \$0.6 million, and \$0.7 million from Vivint, North American Bancard and Custom Ink, respectively.

Underwriting of IPO

Blackstone Securities Partners L.P., an affiliate of Blackstone, served as underwriter of 1,380,000 of the 15,180,000 million shares of Class A common stock sold in the IPO, with underwriting discounts and commissions of \$1.265 per share paid by the Company and selling stockholders.

(14) Subsequent Events

Employee Compensation

On August 5, 2021, the Company granted 895,820 equity awards under the 2021 Omnibus Incentive Plan to certain officers. On that date, the Board also authorized management to make grants and awards of cash or options or other equity securities to non-executive officers of the Company under the 2021 Omnibus Incentive Plan in compliance with the plan, of which 1,357,838 equity awards were granted on August 9, 2021.

Phantom shares

In the third quarter of 2021, the Company used the net proceeds received by it from the IPO, together with cash on hand, to satisfy payments relating to vested phantom shareholders that became due upon the completion of the IPO. See Note 9, "Employee Compensation" for additional information.

Contingent consideration

On July 9, 2021, the Company made payments of \$3.6 million to the sellers of TaskUs Holdings, Inc, in relation to the contingent consideration arising from certain tax benefits realized as a result of the Blackstone Acquisition. See Note 8(b), "Commitments and Contingencies" for additional information.

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 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 prospectus dated June 10, 2021 (the “prospectus”), as filed with the Securities and Exchange Commission (the “SEC”) on June 14, 2021 (the “prospectus”) and the information included under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the prospectus. 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 Statement Regarding Forward-Looking Statements” in this Quarterly Report and under “Risk Factors” in the Quarterly Report and the prospectus.

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, 2021 and 2020.

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Overview

We are a digital outsourcer, focused on serving high-growth technology companies to represent, protect and grow their brands. We support some of the world's most disruptive brands such as Zoom, Netflix, Uber, Coinbase and Oscar.

Our global, omni-channel delivery model is focused on providing our clients three key services – Digital Customer Experience, Content Security and artificial intelligence (“AI”) Operations.

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 to grow our client base.

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.

Recent Financial Highlights

For the three months ended June 30, 2021, we recorded service revenues of \$180.0 million, or a 57.4% increase from \$114.4 million for the three months ended June 30, 2020. For the six months ended June 30, 2021, we recorded service revenues of \$332.9 million, or a 53.5% increase from \$216.8 million for the six months ended June 30, 2020.

Net (loss) income for the three months ended June 30, 2021 decreased to \$(105.9) million from \$8.0 million for the three months ended June 30, 2020. This decrease included expenses related to the one-time phantom shares bonuses and non-recurring teammate bonuses associated with the IPO of \$133.7 million. Adjusted Net Income for the three months ended June 30, 2021 increased 84.9% to \$31.4 million from \$17.0 million for the three months ended June 30, 2020. Adjusted EBITDA for the three months ended June 30, 2021 increased 67.3% to \$44.1 million from \$26.4 million for the three months ended June 30, 2020.

Net (loss) income for the six months ended June 30, 2021 decreased to \$(89.4) million from \$9.5 million for the six months ended June 30, 2020. This decrease included expenses related to the one-time phantom shares bonuses and non-recurring teammate bonuses associated with the IPO of \$133.7 million. Adjusted Net Income for the six months ended June 30, 2021 increased 119.6% to \$59.6 million from \$27.1 million for the six months ended June 30, 2020. Adjusted EBITDA for the six months ended June 30, 2021 increased 90.9% to \$83.7 million from \$43.8 million for the six months ended June 30, 2020.

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

2021 Developments

Initial Public Offering

On June 10, 2021, our registration statement on Form S-1 relating to our initial public offering (“IPO”) was declared effective by the U.S. Securities and Exchange Commission, and our Class A common stock began trading on the NASDAQ on June 11, 2021. Our IPO closed on June 15, 2021.

TaskUs, Inc. issued and sold 5,553,154 shares of Class A common stock (the “primary” offering) and selling stockholders sold 9,626,846 shares (the “secondary” offering), including shares sold by the selling stockholders pursuant to the underwriters’ full exercise of their option to purchase additional shares, at a public offering price of \$23 per share. The Company received net proceeds of \$120.7 million after deducting underwriting discounts and commissions, but before deducting offering expenses. The Company used the proceeds from the issuance, together with cash on hand, to satisfy payments of approximately \$127.5 million in respect of vested phantom shares.

As a result of becoming a public company, we expect to incur additional costs related to audit, legal, and tax-related services associated with maintaining compliance with exchange listing and SEC requirements, director and officer insurance premiums and investor relations costs associated with being a public company.

Amendment and Restatement of Certificate of Incorporation

Prior to the completion of the IPO, we amended and restated our certificate of incorporation to effect a ten-for-one forward stock split of our outstanding common stock and authorized three classes of ownership interests: (i) 250,000,000 shares of Preferred Stock, par value \$0.01 per share, (ii) 2,500,000,000 shares of Class A common stock, par value \$0.01 per share, and (iii) 250,000,000 shares of Class B common stock, par value \$0.01 per share. After giving effect to the ten-for-one stock split, all then outstanding shares of common stock were reclassified into an equal number of shares of Class B common stock (the “Class B Reclassification”).

Equity Incentive Plans

At the IPO date, we concluded that our public offering represents a qualifying liquidity event that would cause the performance conditions of stock options issued under our 2019 Stock Incentive Plan to be probable of occurring. As such, we started to recognize stock-based compensation expense in relation to the stock options issued under the 2019 Stock Incentive Plan.

In connection with the IPO, we adopted the 2021 Omnibus Incentive Plan, which became effective on the date our registration statement was declared effective. Under the 2021 Omnibus Incentive Plan, we granted time-based restricted stock units (“RSUs”), performance-based restricted stock units (“PSUs”), and time-based stock options, in each case relating to shares of our Class A common stock.

For additional information, see Note 9, “Employee Compensation” in the Notes to Unaudited Condensed Consolidated Financial Statements of this Quarterly Report.

COVID-19

During the first quarter of 2020, there was a global outbreak of COVID-19, which has spread to over 200 countries and territories, including all states in the United States. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting operations of non-essential businesses. Such actions created disruption in global supply chains, increased rates of unemployment and adversely impacted many industries.

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The outbreak could have a continued adverse impact on economic and market conditions, and the full extent of the impact and effects of the COVID-19 pandemic will depend on future developments, including, among other factors, the duration and spread of the outbreak, including new strains and variants of the virus, and the success of vaccination programs, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. We continue to closely monitor the outbreak and the impact on our operations and liquidity. As events continue to evolve and additional information becomes available, our estimates may change materially in the future.

As a result of the unpredictable and evolving impact of the pandemic and measures being taken around the world to combat its spread, the timing and trajectory of the recovery remain unclear at this time, and the adverse impact of the pandemic on our operations could be material. See “Risk Factors—Risks Related to Our Business and Industry—The ongoing COVID-19 pandemic, including the resulting global economic uncertainty and measures taken in response to the pandemic, has adversely impacted our business, financial condition and results of operations, especially in the first half of 2020, and may continue to do so” in our prospectus.

Operational Enablement

In early March 2020, in response to the COVID-19 pandemic, we implemented a virtual operating model to protect the health and safety of our employees, and ensure continued service for our clients. As part of the transition to working virtually, we made additional investments in our employees in the form of internet and Wi-Fi connectivity to their homes as well as hotel and shuttle costs for employees who were displaced by the pandemic.

In February 2021, we announced the continuation of our company-wide work from home policy through October 2021. However, where there have been specific client requirements to return to our facilities and, where it has been safe to do so, we have begun transitioning some of our employees back to the office. We continued to incur operational enablement costs, however, during the three and six months ended June 30, 2021.

Revenue and Sales Generation

While we initially saw a reduction in spend from some clients, including ride sharing, live event ticketing, movie ticketing, travel and retail companies, our business performance rebounded in the second half of 2020 despite the uncertainty and initial impact of the pandemic. Our strong market position within our industry verticals as well as our operational agility enabled us to act as a key partner to clients in industry segments such as social media, e-commerce, streaming media, gaming, food delivery and FinTech, which saw an increase in demand driven by a surge in online commerce and content consumption. This trend has continued through the first half of 2021.

Cash and Cost Management

Throughout 2020 and the first half of 2021 we were able to meet our liquidity needs with cash generated from operations and we do not have significant liquidity or operational concerns. We continue to closely monitor the outbreak and the impact on our operations and liquidity.

Subsequent Events

For a description of subsequent events, see Note 14, “Subsequent Events” in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report.

Results of Operations

Comparison of the Three Months Ended June 30, 2021 and 2020

The following tables set forth certain historical consolidated financial information for the three months ended June 30, 2021 and 2020.

	Three months ended June 30, 2021	Three months ended June 30, 2020	Period over Period Change (\$)	Period Over Period Change (%)
Service revenue	\$ 180,022	\$ 114,400	\$ 65,622	57.4%
Operating expenses:				
Cost of services	103,798	64,135	39,663	61.8%
Selling, general, and administrative expense	177,810	25,709	152,101	591.6%
Depreciation	6,729	5,815	914	15.7%
Amortization of intangible assets	4,712	4,712	—	—
Loss on disposal of assets	1	—	1	100.0%
Contingent consideration	—	3,570	(3,570)	(100.0)%
Total operating expenses	293,050	103,941	189,109	181.9%
Operating (loss) income	(113,028)	10,459	(123,487)	(1,180.7)%
Other income	(1,659)	(1,137)	(522)	45.9%
Financing expenses	1,594	1,959	(365)	(18.6)%
(Loss) income before taxes	(112,963)	9,637	(122,600)	(1,272.2)%
(Benefit from) provision for income taxes	(7,020)	1,629	(8,649)	(530.9)%
Net (loss) income	\$(105,943)	\$ 8,008	\$(113,951)	(1,423.0)%

Service revenue

Service revenue for the three months ended June 30, 2021 and 2020 was \$180.0 million and \$114.4 million, respectively. Service revenue for the three months ended June 30, 2021 increased by \$65.6 million or 57.4% when compared to the three months ended June 30, 2020. The period over period growth in Digital Customer Experience, Content Security and AI Operations contributed 37.0%, 10.4%, and 10.0%, respectively, of the total increase of

57.4% for the three months ended June 30, 2021. The 59.2% growth in Digital Customer Experience was primarily driven by an increase in volume of services to our existing customers and new customer wins. The 38.4% growth in Content Security was primarily driven by an increase in the volume of services to our existing customers. Our AI Operations service offering experienced year over year growth of 95.9% during the three months ended June 30, 2021 which was driven by an increase in the volume of services to our existing customers and new customer wins.

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The following table shows service revenues by service offering for each period.

(in thousands)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Digital Customer Experience	\$ 113,566	\$ 71,345	\$ 42,221	59.2%
Content Security	42,995	31,076	11,919	38.4%
AI Operations	23,461	11,979	11,482	95.9%
Service revenue	\$ 180,022	\$ 114,400	\$ 65,622	57.4%

Service revenues by delivery geography

The majority of our service revenues are derived from contracts with clients who are either located in the United States, or with clients who are located outside of the United States but whereby the contract specifies payment in United States dollars. However, we deliver our services from multiple locations around the world.

The following table presents the breakdown of our service revenues by geographical location, based on where the services are provided.

(in thousands)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Philippines	\$ 95,681	\$ 62,842	\$ 32,839	52.3%
United States	58,930	43,429	15,501	35.7%
Rest of World	25,411	8,129	17,282	212.6%
Service revenue	\$ 180,022	\$ 114,400	\$ 65,622	57.4%

Revenues generated from services provided from our delivery sites in the Philippines grew from expansion in all three of our service offerings, Digital Customer Experience, Content Security and AI Operations, which contributed 32.0%, 14.7%, and 5.6% of the total increase of 52.3% in the Philippines, respectively.

Revenues generated from services provided from the United States grew primarily from expansion in two of our service offerings, Digital Customer Experience and AI Operations, which contributed 28.8% and 13.6% of the total increase of 35.7% in the United States, respectively, partially offset by a 6.7% decrease contributed by Content Security due to the shift in revenues to the Philippines and Rest of World.

Revenues generated from services provided from the Rest of World grew primarily from expansion in all three of our service offerings in India and Mexico.

Operating expenses

Cost of services

Cost of services for the three months ended June 30, 2021 and 2020 was \$103.8 million and \$64.1 million, respectively. Cost of services for the three months ended June 30, 2021 increased by \$39.7 million, or 61.8%, when compared to the three months ended June 30, 2020. The change was primarily driven by an increase in personnel costs of \$35.7 million related to an increase in headcount to meet the demand in services from our customers. The remaining increase included operational enablement costs incurred in response to the COVID pandemic.

Selling, general, and administrative expense

Selling, general, and administrative expense for the three months ended June 30, 2021 and 2020 was \$177.8 million and \$25.7 million, respectively. Selling, general, and administrative expense for the three

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months ended June 30, 2021 increased by \$152.1 million, or 591.6%, when compared to the three months ended June 30, 2020. The increase was primarily driven by higher personnel costs of \$146.3 million due primarily to expenses related to the one-time phantom shares bonuses and non-recurring teammate bonuses associated with the IPO of \$133.7 million, as well as increased costs across functions in support of our growth in revenue and stock-based compensation expense for equity-classified awards of \$5.8 million. The remaining increase included professional fees of \$2.8 million primarily related to third parties who were engaged to assist with preparation for the IPO. We expect our stock-based compensation expense for equity-classified awards to increase in future periods as we recognize expense for the full periods, as well as future grants.

Depreciation

Depreciation for the three months ended June 30, 2021 and 2020 was \$6.7 million and \$5.8 million, respectively. The increase in depreciation is a result of capital expenditures for additional technology and computers in support of our company-wide work-from-home policy.

Amortization of intangible assets

Amortization of intangible assets for the three months ended June 30, 2021 and 2020 was \$4.7 million. Amortization can be attributed to the recognition of client relationship and trade name intangible assets recognized in connection with the October 2018 transaction in which we were formed by affiliates of Blackstone as a vehicle for the acquisition of TaskUs Holdings, Inc. (the “Blackstone Acquisition”) that are being amortized on a straight-line basis.

Contingent consideration

We recognized expense related to the increase in the value of a contingent consideration liability of \$3.6 million for cash payments due to the sellers in the Blackstone Acquisition as a result of tax benefits that became receivable by the Company during the three months ended June 30, 2020. See Note 8(b), “Contingent Consideration” in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information.

Other income

Other income for the three months ended June 30, 2021 and 2020 was \$1.7 million and \$1.1 million, respectively. Changes in other income are 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.

Financing expense

Financing expense for the three months ended June 30, 2021 and 2020 was \$1.6 million and \$2.0 million, respectively. The decrease in financing expense is primarily driven by the decrease in the rate of LIBOR used to calculate the interest rate of the term loan. See “—Liquidity and Capital Resources—Indebtedness—2019 Credit Agreement” for additional discussion on term loan.

(Benefit from) provision for income taxes

(Benefit from) provision for income taxes for the three months ended June 30, 2021 and 2020 was \$(7.0) million and \$1.6 million, respectively. The effective tax rate for the three months ended June 30, 2021 and 2020 was 6.2% and 16.9%, respectively. There are certain items included within the (benefit from) provision for income taxes calculation which are directly related to the IPO and not expected to recur in future periods, including certain phantom shares bonuses and equity awards made to officers which are not deductible under Section 162(m) of the Internal Revenue Code. Additionally, there are costs related to the issuance of stock-based compensation included within the (benefit from) provision for income taxes calculation. If those costs directly related to the IPO and stock-based compensation are removed, the provision for income taxes would have been \$4.4 million and the effective tax rate would have been 19.5% for the three months ended June 30, 2021.

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The effective tax rate in the future will depend upon the proportion of income before provision for income taxes earned in the United states and in jurisdictions with a tax rate lower than the U.S. statutory rate, as well as a number of other factors, including the impact of new legislation.

Comparison of the Six Months Ended June 30, 2021 and 2020

The following tables set forth certain historical consolidated financial information for the six months ended June 30, 2021 and 2020.

	Six months ended June 30, 2021	Six months ended June 30, 2020	Period over Period Change (\$)	Period Over Period Change (%)
Service revenue	\$332,893	\$216,829	\$ 116,064	53.5%
Operating expenses:				
Cost of services	191,828	125,918	65,910	52.3%
Selling, general, and administrative expense	209,308	51,440	157,868	306.9%
Depreciation	12,932	10,529	2,403	22.8%
Amortization of intangible assets	9,424	9,424	—	—
Loss (gain) on disposal of assets	28	(5)	33	(660.0)%
Contingent consideration	—	3,570	(3,570)	(100.0)%
Total operating expenses	423,520	200,876	222,644	110.8%
Operating (loss) income	(90,627)	15,953	(106,580)	(668.1)%
Other (income) expense	(905)	260	(1,165)	(448.1)%
Financing expenses	3,175	4,202	(1,027)	(24.4)%
(Loss) income before taxes	(92,897)	11,491	(104,388)	(908.4)%
(Benefit from) provision for income taxes	(3,461)	1,968	(5,429)	(275.9)%
Net (loss) income	\$ (89,436)	\$ 9,523	\$ (98,959)	(1,039.2)%

Service revenue

Service revenue for the six months ended June 30, 2021 and 2020 was \$332.9 million and \$216.8 million, respectively. Service revenue for the six months ended June 30, 2021 increased by \$116.1 million or 53.5% when compared to the six months ended June 30, 2020. The year over year growth in Digital Customer Experience, Content Security and AI Operations contributed 35.4%, 9.9%, and 8.2%, respectively, of the total increase of 53.5% for the six months ended June 30, 2021. The 56.2% growth in Digital Customer Experience was primarily driven by an increase in volume of services to our existing customers and new customer wins. The 37.3% growth in Content Security was primarily driven by an increase in volume of services to our existing customers. Our AI Operations service offering experienced growth of 78.8% during the six months ended June 30, 2021 which was driven by an increase in volume of services to our existing customers and new customer wins.

The following table shows service revenues by service offering for each period.

(in thousands)	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Digital Customer Experience	\$ 213,277	\$ 136,562	\$ 76,715	56.2%
Content Security	79,122	57,614	21,508	37.3%
AI Operations	40,494	22,653	17,841	78.8%
Service revenue	\$ 332,893	\$ 216,829	\$ 116,064	53.5%

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Service revenues by delivery geography

The majority of our service revenues are derived from contracts with clients who are either located in the United States, or with clients who are located outside of the United States but whereby the contract specifies payment in United States dollars. However, we deliver our services from multiple locations around the world.

The following table presents the breakdown of our service revenues by geographical location, based on where the services are provided.

<i>(in thousands)</i>	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Philippines	\$ 180,259	\$ 118,716	\$ 61,543	51.8%
United States	109,687	84,074	25,613	30.5%
Rest of World	42,947	14,039	28,908	205.9%
Service revenue	\$ 332,893	\$ 216,829	\$ 116,064	53.5%

Revenues generated from services provided from our delivery sites in the Philippines grew from expansion in all three of our service offerings, Digital Customer Experience, Content Security and AI Operations, which contributed 30.2%, 15.2%, and 6.4% of the total increase of 51.8% in the Philippines, respectively.

Revenues generated from services provided from the United States growth resulted primarily from expansion in two of our service offerings, Digital Customer Experience and AI Operations, which contributed 26.0% and 9.3% of the total increase of 30.5% in the United States, respectively, partially offset by a 4.8% decrease contributed by Content Security due to the shift in revenues to the Philippines.

Revenues generated from services provided from the Rest of World growth was primarily driven by expansion in all three of our service offerings in India and Mexico.

Operating expenses

Cost of services

Cost of services for the six months ended June 30, 2021 and 2020 was \$191.8 million and \$125.9 million, respectively. Cost of services for the six months ended June 30, 2021 increased by \$65.9 million, or 52.3%, when compared to the six months ended June 30, 2020. The change was primarily driven by an increase in personnel costs of \$60.0 million related to an increase in headcount to meet the demand in services from our customers. The remaining increase included operational enablement costs incurred in response to the COVID pandemic.

Selling, general, and administrative expense

Selling, general, and administrative expense for the six months ended June 30, 2021 and 2020 was \$209.3 million and \$51.4 million, respectively. Selling, general, and administrative expense for the six months ended June 30, 2021 increased by \$157.9 million, or 306.9%, when compared to the six months ended June 30, 2020. The increase was primarily driven by higher personnel costs of \$148.5 million due primarily to expenses related to the one-time phantom shares bonuses and non-recurring teammate bonuses associated with the IPO of \$133.7 million, as well as increased costs across functions in support of our growth in revenue and stock-based compensation expense for equity-classified awards of \$5.8 million. The remaining increase included professional fees of \$6.7 million due primarily to third parties who were engaged to assist with preparation for the IPO. We expect our stock-based compensation expense for equity-classified awards to increase in future periods as we recognize expense for the full periods, as well as any future grants.

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Depreciation

Depreciation for the six months ended June 30, 2021 and 2020 was \$12.9 million and \$10.5 million, respectively. The increase in depreciation is a result of capital expenditures for additional technology and computers in support of our company-wide work-from-home policy.

Amortization of intangible assets

Amortization of intangible assets for the six months ended June 30, 2021 and 2020 was \$9.4 million. Amortization can be attributed to the recognition of client relationship and trade name intangible assets recognized in connection with the Blackstone Acquisition that are being amortized on a straight-line basis.

Contingent consideration

We recognized expense related to the increase in the value of a contingent consideration liability of \$3.6 million for cash payments due to the sellers in the Blackstone Acquisition as a result of tax benefits that became receivable by the Company during the six months ended June 30, 2020. See Note 8(b), “Contingent Consideration” in the Notes to Unaudited Condensed Consolidated Financial Statements included in this Quarterly Report for additional information.

Other (income) expense

Other (income) expense for the six months ended June 30, 2021 and 2020 was \$(0.9) million and \$0.3 million, respectively. Changes in other income are 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.

Financing expense

Financing expense for the six months ended June 30, 2021 and 2020 was \$3.2 million and \$4.2 million, respectively. The decrease in financing expense is primarily driven by the decrease in the rate of LIBOR used to calculate the interest rate of the term loan. See “—Liquidity and Capital Resources—Indebtedness—2019 Credit Agreement” for additional discussion on term loan.

(Benefit from) provision for income taxes

(Benefit from) provision for income taxes for the six months ended June 30, 2021 and 2020 was \$(3.5) million and \$2.0 million, respectively. Our effective tax rate for the six months ended June 30, 2021 and 2020 was 3.7% and 17.1%, respectively. There are certain items included within the provision for income taxes calculation which are directly related to the IPO and not expected to recur in future periods, including certain phantom shares bonuses and equity awards made to officers which are not deductible under Section 162(m) of the Internal Revenue Code. Additionally, there are costs related to the issuance of stock-based compensation included within the (benefit from) provision for income taxes calculation. If those costs directly related to the IPO and stock-based compensation expense are removed, the provision for income taxes would have been \$8.0 million and the effective tax rate would have been 18.7% for the six months ended June 30, 2021.

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Revenue by Top Clients

The table below sets forth the percentage of our total service revenues derived from our largest clients for the three months and six months ended June 30, 2021 and 2020:

	Percentage of Total Service Revenue			
	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Top ten clients	63%	73%	64%	74%
Top twenty clients	77%	85%	78%	84%

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 grow as they grow and to cross sell new solutions, further deepening our entrenchment.

For the three months ended June 30, 2021 and 2020, we generated 27% and 33%, respectively, of our service revenue from Facebook, our largest client, and we generated 12% and 16%, respectively, of our service revenue from our second largest client, DoorDash. For the six months ended June 30, 2021 and 2020, we generated 28% and 32%, respectively, of our service revenue from Facebook, our largest client, and we generated 12% and 14%, respectively, of our service revenue from our second largest client, DoorDash.

We continue to identify and target high growth industry verticals and clients. Our strategy is to acquire 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 “Quantitative and Qualitative Disclosures About Market Risk” 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 and Adjusted EBITDA as key profitability measures to assess the performance of our business.

Each of the profitability measures described below are not recognized under GAAP and do not purport to be an alternative to net income 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. Adjusted Net Income, 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 exclude from Adjusted Net Income amortization of intangible assets, offering costs, the effect of foreign currency gains and losses, losses on disposals of assets, COVID-19 related expenses, severance costs, natural disaster costs, contingent consideration, one-time payments associated with the IPO, stock-based compensation expense associated with equity-classified awards 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.

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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, 2021 and 2020:

(in thousands, except margin amounts)	Three months ended June 30, 2021	Three months ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Net (loss) income	\$ (105,943)	\$ 8,008	\$ (113,951)	(1,423.0)%
Amortization of intangible assets	4,712	4,712	—	—
Offering costs ⁽¹⁾	2,432	—	2,432	100.0%
Foreign currency gains ⁽²⁾	(1,595)	(1,114)	(481)	43.2%
Loss on disposal of assets	1	—	1	100.0%
COVID-19 related expenses ⁽³⁾	3,711	1,320	2,391	181.1%
Severance costs ⁽⁴⁾	—	472	(472)	(100.0)%
Contingent consideration	—	3,570	(3,570)	(100.0)%
Phantom shares bonus ⁽⁵⁾	129,362	—	129,362	100.0%
Teammate IPO bonus ⁽⁶⁾	4,361	—	4,361	100.0%
Stock-based compensation expense ⁽⁷⁾	5,771	—	5,771	100.0%
Tax impacts of adjustments ⁽⁸⁾	(11,440)	—	(11,440)	(100.0)%
Adjusted Net Income	\$ 31,372	\$ 16,968	\$ 14,404	84.9%
Net (Loss) Income Margin ⁽⁹⁾	(58.9)%	7.0%		
Adjusted Net Income Margin ⁽⁹⁾	17.4%	14.8%		

- (1) Represents one-time professional service fees related to the preparation for the IPO that have been expensed during the period.
- (2) Realized and unrealized foreign currency gains include the effect of fair market value changes of forward contracts and remeasurement of U.S. dollar-denominated accounts to foreign currency.
- (3) Represents incremental expenses incurred that relate to the transition to a virtual operating model and incentive and leave pay granted to employees that are directly attributable to the COVID-19 pandemic.
- (4) Represents severance payments as a result of certain cost optimization measures we undertook during the period.
- (5) Represents expense for one-time non-recurring payments of \$127.5 million to vested phantom shareholders in connection with the completion of the IPO, as well as associated payroll tax and 401(k) contributions.
- (6) Represents expense for non-recurring bonus payments to certain employees in connection with the completion of the IPO.
- (7) Represents stock-based compensation expense associated with equity-classified awards.
- (8) Represents tax impacts of adjustments to net (loss) income which resulted in a tax benefit during the period. These adjustments include phantom shares bonus related to the IPO and stock-based compensation expense after the IPO.
- (9) Net (Loss) Income Margin represents net (loss) income divided by service revenue and Adjusted Net Income Margin represents Adjusted Net Income divided by service revenue.

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The following table reconciles net income, the most directly comparable GAAP measure, to Adjusted Net Income for the six months ended June 30, 2021 and 2020:

	Six months ended June 30, 2021	Six months ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
<i>(in thousands, except margin amounts)</i>				
Net (loss) income	\$ (89,436)	\$ 9,523	\$ (98,959)	(1,039.2)%
Amortization of intangible assets	9,424	9,424	—	—
Offering costs ⁽¹⁾	5,761	—	5,761	100.0%
Foreign currency (gains) losses ⁽²⁾	(808)	290	(1,098)	(378.6)%
Loss (gain) on disposal of assets	28	(5)	33	(660.0)%
COVID-19 related expenses ⁽³⁾	6,105	3,759	2,346	62.4%
Severance costs ⁽⁴⁾	—	570	(570)	(100.0)%
Natural disaster costs ⁽⁵⁾	442	—	442	100.0%
Contingent consideration	—	3,570	(3,570)	(100.0)%
Phantom shares bonus ⁽⁶⁾	129,362	—	129,362	100.0%
Teammate IPO bonus ⁽⁷⁾	4,361	—	4,361	100.0%
Stock-based compensation expense ⁽⁸⁾	5,771	—	5,771	100.0%
Tax impacts of adjustments ⁽⁹⁾	(11,440)	—	(11,440)	(100.0)%
Adjusted Net Income	\$ 59,570	\$ 27,131	\$ 32,439	119.6%
Net (Loss) Income Margin ⁽¹⁰⁾	(26.9)%	4.4%		
Adjusted Net Income Margin ⁽¹⁰⁾	17.9%	12.5%		

- (1) Represents one-time professional service fees related to the preparation for the IPO that have been expensed during the period.
- (2) Realized and unrealized foreign currency (gains) losses include the effect of fair market value changes of forward contracts and remeasurement of U.S. dollar-denominated accounts to foreign currency.
- (3) Represents incremental expenses incurred that relate to the transition to a virtual operating model and incentive and leave pay granted to employees that are directly attributable to the COVID-19 pandemic.
- (4) Represents severance payments as a result of certain cost optimization measures we undertook during the year.
- (5) Represents one-time costs associated with emergency housing, transportation costs and bonuses for our employees in connection with the natural disaster related to the severe winter storm in Texas in February 2021.
- (6) Represents expense for one-time non-recurring payments of \$127.5 million to vested phantom shareholders in connection with the completion of the IPO, as well as associated payroll tax and 401(k) contributions.
- (7) Represents expense for non-recurring bonus payments to certain employees in connection with the completion of the IPO.
- (8) Represents stock-based compensation expense associated with equity-classified awards.
- (9) Represents tax impacts of adjustments to net (loss) income which resulted in a tax benefit during the period. These adjustments include phantom shares bonus related to the IPO and stock-based compensation expense after the IPO.
- (10) Net (Loss) Income Margin represents net (loss) 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, including the impact of any potentially dilutive common stock equivalents that are anti-dilutive to GAAP net (loss) income per share – diluted (“GAAP diluted EPS”) but dilutive to Adjusted EPS. 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, 2021 and 2020:

	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
GAAP diluted EPS	\$ (1.14)	\$ 0.09	\$ (0.97)	\$ 0.10
Per share adjustments to net (loss) income ⁽¹⁾	1.48	0.09	1.61	0.20
Per share adjustments for GAAP anti-dilutive shares ⁽²⁾	(0.02)	—	(0.01)	—
Adjusted EPS	\$ 0.32	\$ 0.18	\$ 0.63	\$ 0.30
Weighted-average common stock outstanding – Diluted	92,957,493	91,737,020	92,347,257	91,737,020
GAAP anti-dilutive shares ⁽²⁾	4,599,736	—	2,299,868	—
Adjusted weighted-average shares outstanding	97,557,229	91,737,020	94,647,125	91,737,020

- (1) Reflects the aggregate adjustments made to reconcile Net (loss) 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.
- (2) Reflects the impact of awards that were anti-dilutive to GAAP diluted EPS since we were in a net loss position, and therefore not included in the calculation, but would be dilutive to Adjusted EPS and are therefore included in the calculation.

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 businesses on a period-over-period basis or with other businesses. During the periods presented, we exclude from Adjusted EBITDA offering costs, the effect of foreign currency gains and losses, losses on disposals of assets, COVID-19 related expenses, severance costs, natural disaster costs, contingent consideration, one-time payments associated with the IPO and stock-based compensation expense associated with equity-classified awards, which include costs that are required to be expensed in accordance with GAAP. Our management believes that the

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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, 2021 and 2020:

(in thousands, except margin amounts)	Three months ended June 30, 2021	Three months ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Net (loss) income	\$ (105,943)	\$ 8,008	\$ (113,951)	(1,423.0)%
(Benefit from) provision for income taxes	(7,020)	1,629	(8,649)	(530.9)%
Financing expenses	1,594	1,959	(365)	(18.6)%
Depreciation	6,729	5,815	914	15.7%
Amortization of intangible assets	4,712	4,712	—	—
EBITDA	\$ (99,928)	\$ 22,123	\$ (122,051)	(551.7)%
Offering costs ⁽¹⁾	2,432	—	2,432	100.0%
Foreign currency gains ⁽²⁾	(1,595)	(1,114)	(481)	43.2%
Loss on disposal of assets	1	—	1	100.0%
COVID-19 related expenses ⁽³⁾	3,711	1,320	2,391	181.1%
Severance costs ⁽⁴⁾	—	472	(472)	(100.0)%
Contingent consideration	—	3,570	(3,570)	(100.0)%
Phantom shares bonus ⁽⁵⁾	129,362	—	129,362	100.0%
Teammate IPO bonus ⁽⁶⁾	4,361	—	4,361	100.0%
Stock-based compensation expense ⁽⁷⁾	5,771	—	5,771	100.0%
Adjusted EBITDA	\$ 44,115	\$ 26,371	\$ 17,744	67.3%
Net (Loss) Income Margin ⁽⁸⁾	(58.9)%	7.0%		
Adjusted EBITDA Margin ⁽⁸⁾	24.5%	23.1%		

- (1) Represents one-time professional service fees related to the preparation for the IPO that have been expensed during the period.
- (2) Realized and unrealized foreign currency gains include the effect of fair market value changes of forward contracts and remeasurement of U.S. dollar-denominated accounts to foreign currency.
- (3) Represents incremental expenses incurred that relate to the transition to a virtual operating model and incentive and leave pay granted to employees that are directly attributable to the COVID-19 pandemic.
- (4) Represents severance payments as a result of certain cost optimization measures we undertook during the period.
- (5) Represents expense for one-time non-recurring payments of \$127.5 million to vested phantom shareholders in connection with the completion of the IPO, as well as associated payroll tax and 401(k) contributions.
- (6) Represents expense for non-recurring bonus payments to certain employees in connection with the IPO.
- (7) Represents stock-based compensation expense associated with equity-classified awards.
- (8) Net (Loss) Income Margin represents net (loss) 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, 2021 and 2020:

(in thousands, except margin amounts)	Six months ended June 30, 2021	Six months ended June 30, 2020	Period over Period Change (\$)	Period over Period Change (%)
Net income	\$ (89,436)	\$ 9,523	\$ (98,959)	(1,039.2)%
Provision for income taxes	(3,461)	1,968	(5,429)	(275.9)%
Financing expenses	3,175	4,202	(1,027)	(24.4)%
Depreciation	12,932	10,529	2,403	22.8%
Amortization of intangible assets	9,424	9,424	—	—
EBITDA	\$ (67,366)	\$ 35,646	\$ (103,012)	(289.0)%
Offering costs ⁽¹⁾	5,761	—	5,761	100.0%
Foreign currency (gains) losses ⁽²⁾	(808)	290	(1,098)	(378.6)%
Loss (gain) on disposal of assets	28	(5)	33	(660.0)%
COVID-19 related expenses ⁽³⁾	6,105	3,759	2,346	62.4%
Severance costs ⁽⁴⁾	—	570	(570)	(100.0)%
Natural disaster costs ⁽⁵⁾	442	—	442	100.0%
Contingent consideration	—	3,570	(3,570)	(100.0)%
Phantom shares bonus ⁽⁶⁾	129,362	—	129,362	100.0%
Teammate IPO bonus ⁽⁷⁾	4,361	—	4,361	100.0%
Stock-based compensation expense ⁽⁸⁾	5,771	—	5,771	100.0%
Adjusted EBITDA	\$ 83,656	\$ 43,830	\$ 39,826	90.9%
Net (Loss) Income Margin ⁽⁹⁾	(26.9)%	4.4%		
Adjusted EBITDA Margin ⁽⁹⁾	25.1%	20.2%		

- (1) Represents one-time professional service fees related to the preparation for the IPO that have been expensed during the period.
- (2) Realized and unrealized foreign currency gains include the effect of fair market value changes of forward contracts and remeasurement of U.S. dollar-denominated accounts to foreign currency.
- (3) Represents one time expenses related to the transition to a virtual operating model and incentive and leave pay granted to employees that are directly attributable to the COVID-19 pandemic.
- (4) Represents severance payments as a result of certain cost optimization measures we undertook during the year.
- (5) Represents one-time costs associated with emergency housing, transportation costs and bonuses for our employees in connection with the natural disaster related to the severe winter storm in Texas in February 2021.
- (6) Represents expense for one-time non-recurring payments of \$127.5 million to vested phantom shareholders in connection with the completion of the IPO, as well as associated payroll tax and 401(k) contributions.
- (7) Represents expense for non-recurring bonus payments to certain employees in connection with the IPO.
- (8) Represents stock-based compensation expense associated with equity-classified awards.
- (9) Net (Loss) Income Margin represents net (loss) income divided by service revenue and Adjusted EBITDA Margin represents Adjusted EBITDA divided by service revenue.

Liquidity and Capital Resources

As of June 30, 2021, our principal sources of liquidity were cash and cash equivalents totaling \$195.9 million, which were held for working capital purposes, as well as the available balance of our 2019 Credit Facilities, described further below. We used the proceeds from the primary offering, together with cash on hand, to satisfy payments of approximately \$127.5 million in respect of vested phantom shares in the third quarter of 2021. Historically, we have made investments in supporting the growth of our business, which were enabled in part by our positive cash flows from operations during these periods. We expect to continue to make similar investments in the future.

We have financed our operations primarily through cash received from operations. We believe our existing cash and cash equivalents and our 2019 Credit Facilities will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months. Our future capital requirements will depend on several factors, including but not limited to our obligation to repay any amounts outstanding under our 2019 Credit Facilities, our revenue growth rate, timing of client billing and collections, the timing of expansion into new geographies, variability in the cost of delivering services in our geographies, the timing and extent of spending on technology innovation, the extent of our sales and marketing activities, and the introduction of new and enhanced service offerings and the continuing market adoption of our platform.

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. In particular, the widespread COVID-19 pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, reducing our ability to access capital. If we are unable to raise additional funds when desired, our business, financial condition and results of operations could be adversely affected.

Although we are not currently a party to any material definitive agreement regarding potential investments in, or acquisitions of, complementary businesses, applications or technologies, we may enter into these types of arrangements, which could reduce our cash and cash equivalents, require us to seek additional equity or debt financing or repatriate cash generated by our international operations that could cause us to incur withholding taxes on any distributions. Additional funds from financing arrangements may not be available on terms favorable to us or at all.

As market conditions warrant, we and certain of our equity holders, including Blackstone and their respective affiliates, may from time to time seek to purchase our outstanding debt securities or loans, including the notes and borrowings under our 2019 Credit Facilities, in privately negotiated or open market transactions, by tender offer or otherwise. Subject to any applicable limitations contained in the agreements governing our indebtedness, any purchases made by us may be funded by the use of cash on our balance sheet or the incurrence of new secured or unsecured debt, including borrowings under our credit facilities. The amounts involved in any such purchase transactions, individually or in the aggregate, may be material. Any such purchases may be with respect to a substantial amount of a particular class or series of debt, with the attendant reduction in the trading liquidity of such class or series. In addition, any such purchases made at prices below the “adjusted issue price” (as defined for U.S. federal income tax purposes) may result in taxable cancellation of indebtedness income to us, which amounts may be material, and in related adverse tax consequences to us.

Indebtedness

As of June 30, 2021, our total indebtedness was \$242.0 million, including outstanding borrowings under our Revolving Credit Facility (as defined below) of \$39.9 million.

2019 Credit Agreement

On September 25, 2019, we entered into a credit agreement (the “2019 Credit Agreement”) that included a \$210 million term loan (the “Term Loan Facility”) and a \$40 million revolving credit facility (the “Revolving Credit Facility” and, together with the Term Loan Facility, the “2019 Credit Facilities”). On April 30, 2021, the Company entered into Amendment No. 1 to our 2019 Credit Agreement with the existing lenders providing for \$50.0 million incremental revolving credit commitments on the same terms as our existing revolving credit facility. We accounted for this amendment as a debt modification and recorded \$0.3 million of debt financing fees which will be amortized, along with previously deferred fees, over the remaining term of the facility.

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The Term Loan Facility matures on September 24, 2024 and requires quarterly principal payments of 0.25% of the original principal amount per quarter through September 30, 2020, 0.625% of the original principal amount through September 30, 2021, 1.25% of the original principal amount through September 30, 2022, 1.875% of the original principal amount through September 30, 2023 and 2.50% of the original principal amount thereafter, with any remaining principal due in a lump sum at the maturity date. As of June 30, 2021, \$204.0 million was outstanding under the Term Loan Facility. The interest rate in effect for the Term Loan facility was 2.345% as of June 30, 2021.

The Revolving Credit Facility matures on September 24, 2024 and requires a commitment fee of 0.4% on undrawn commitments paid quarterly in arrears. As of June 30, 2021, the interest rate in effect was 2.345% on \$39.9 million of outstanding borrowings under the Revolving Credit Facility. As of June 30, 2021, we had \$50.1 million of borrowing availability under the Revolving Credit Facility.

The 2019 Credit Agreement contains certain affirmative and negative covenants applicable to us and our restricted subsidiaries, including, among other things, limitations on our Consolidated Total Net Leverage Ratio (as defined in the 2019 Credit Agreement) and restrictions on changes in the nature of our business, acquisitions and other investments, indebtedness, liens, fundamental changes, dispositions, prepayment of other indebtedness, repurchases of stock, cash dividends, and other distributions. The 2019 Credit Facilities are guaranteed by our material domestic subsidiaries and are secured by substantially all of our tangible and intangible assets, including our intellectual property, and the equity interests of our subsidiaries, subject to certain exceptions.

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.

Cash Flows

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

	<u>Six Months ended June 30, 2021</u>	<u>Six Months ended June 30, 2020</u>
(in thousands)		
Net cash provided by operating activities	\$ 45,677	\$ 22,603
Net cash used in investing activities	(23,453)	(18,815)
Net cash provided by financing activities	67,733	39,353

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Operating Activities

Net cash provided by operating activities for the six months ended June 30, 2021 was \$45.7 million compared to net cash provided by operating activities of \$22.6 million for the six months ended June 30, 2020. Net cash provided by operating activities for the six months ended June 30, 2021 reflects changes in operating assets and liabilities of \$115.0 million primarily driven by a \$150.5 million change in accrued payroll and employee-related liabilities due primarily to the one-time phantom shares bonuses that were accrued but not yet paid, partially offset by a \$41.2 million change in accounts receivable. These changes were partially offset by the net loss of \$89.4 million, reduced by the add back for non-cash charges totaling \$20.1 million primarily driven by \$12.9 million in depreciation, \$9.4 million of amortization related to intangibles recognized as a result of the Blackstone Acquisition, and \$5.8 million of stock-based compensation expense, partially offset by deferred taxes of \$10.5 million.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2021 was \$23.5 million compared to net cash used in investing activities of \$18.8 million for the six months ended June 30, 2020. Net cash used in investing activities primarily consisted of investments in technology and computers.

Financing Activities

Net cash provided by financing activities for the six months ended June 30, 2021 was \$67.7 million compared to net cash provided by financing activities of \$39.4 million for the six months ended June 30, 2020. Net cash provided by financing activities for the six months ended June 30, 2021 consisted of proceeds from the IPO, net of underwriters' fees, partially offset by distribution of dividends and payments on long-term debt. Net cash provided by financing activities for the six months ended June 30, 2020 consisted primarily of cash proceeds from our Revolving Credit Facility of \$39.9 million.

JOBS Act Accounting Election

We qualify as an emerging growth company pursuant to the provisions of the JOBS Act. The JOBS Act permits an emerging growth company like us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We have elected to use the extended transition period until we are no longer an emerging growth company or until we choose to affirmatively and irrevocably opt out of the extended transition period. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements applicable to public companies.

Critical Accounting Policies and Estimates

Except as described in Note 2, "Summary of Significant Accounting Policies in the Notes to Unaudited Condensed Consolidated Financial Statements, and discussed below, there have been no material changes to our critical accounting policies or in the underlying accounting assumptions and estimates used in such policies as reported in the prospectus.

Upon completion of the IPO, a public trading market for our common stock was established, and as a result, it is no longer necessary for our board of directors or management to estimate the fair value of our common stock in connection with our accounting for granted stock options, as the fair value of our common stock will be determined based on its trading price on Nasdaq. See Note 9, "Employee Compensation" in the Notes to Unaudited Condensed Consolidated Financial Statements, for additional information.

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.

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 in the six months ended June 30, 2020 and the six months ended June 30, 2021. 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 and the U.S. dollar have changed substantially in recent years and may fluctuate substantially in the future.

The average exchange rate of the Philippine peso against the U.S. dollar decreased from 50.66 pesos during the six months ended June 30, 2020 to 48.24 pesos during the six months ended June 30, 2021, representing an appreciation of the Philippine peso of 4.8%. Based upon our level of operations during the six months ended June 30, 2021 and excluding any forward contract arrangements that we had in place during that period, a 10% appreciation/depreciation in the Philippine Peso against the U.S. dollar would have increased or decreased our expenses incurred and paid in the Philippine Peso by approximately \$17.3 million or \$14.2 million, respectively, in the six months ended June 30, 2021.

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, we enter into foreign currency forward contracts. These derivatives do not qualify as fair value hedges under ASC No. Topic 815, Derivatives and Hedging ("ASC 815"). Changes in the fair value of these derivatives are recognized in the consolidated statements of income and are included in other income. 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.

For the three and six months ended June 30, 2021, we realized gains of \$0.6 million and \$1.4 million, respectively, resulting from the settlement of forward contracts were included within other (income) expense.

For the three and six months ended June 30, 2021, we had outstanding forward contracts. The forward contract receivable resulting from change in fair value was recorded under other current assets. For the three and six months ended June 30, 2021, the unrealized (gains) losses on the forward contracts of \$(0.1) million and \$1.7 million, respectively, were included within other (income) expense.

We also enter into foreign currency exchange rate contracts to economically hedge our intercompany balances and other monetary assets and liabilities denominated in currencies other than functional currencies. These derivatives do not qualify as fair value hedges under ASC No. Topic 815, Derivatives and Hedging ("ASC 815"). Changes in the fair value of these derivatives are recognized in the consolidated statements of income and are included in foreign exchange gain/(loss). 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.

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 2019 Credit Facilities. All of our borrowings outstanding under the 2019 Credit Facilities as of June 30, 2021 accrue interest at LIBOR plus 2.25%. We entered into our 2019 Credit Facilities on September 25, 2019 and our total principal balance outstanding as of June 30, 2021 was \$243.8. Based on the outstanding balances and interest rates under the 2019 Credit Facilities as of June 30, 2021, a hypothetical 10.0% increase or decrease in LIBOR would cause an increase or decrease in interest expense of less than \$0.1 million over the next 12 months.

Credit Risk

As of June 30, 2021, we had accounts receivable, net of allowance for doubtful accounts, of \$127.9 million, of which \$39.1 million was owed by two of our clients. Collectively, these clients represented approximately 30% of our accounts receivable as of June 30, 2021, and nearly 40% of our service revenue for the six months ended June 30, 2021.

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 Securities Exchange Act of 1934, as amended (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. 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, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of June 30, 2021. Based upon that evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2021, 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.

From time to time, we may become subject to legal proceedings, claims, and litigation arising in the ordinary course of business. We are not currently a party to any material legal proceedings, nor are we aware of any pending or threatened litigation that would have a material adverse effect on our business, financial condition, operating results, or cash flows should such litigation be resolved unfavorably.

Item 1A. Risk Factors

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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 “Risk Factors” in the prospectus. 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. There have been no material changes to the risk factors included in the prospectus. You should carefully consider the risk factors set forth in the prospectus and the other information set forth elsewhere in this Quarterly Report on Form 10-Q.

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

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Use of Proceeds

On June 15, 2021, we completed our initial public offering of our Class A Common Stock, which consisted of (i) 5,553,154 shares of Class A Common Stock issued and sold by the Company and (ii) 9,626,846 shares of Class A Common Stock sold by certain selling stockholders (including 1,980,000 shares of Class A Common Stock pursuant to the full exercise of the underwriters' option to purchase additional shares). The shares sold in the offering were registered under the Securities Act pursuant to our Registration Statement on Form S-1 (File No. 333-255190) which was declared effective by the SEC on June 10, 2021. Our shares of Class A Common Stock were sold at an initial offering price of \$23.000 per share (\$21.735 per share, after deducting underwriting discounts and commissions), which generated net proceeds to us of approximately \$120.7 million after deducting underwriting discounts and commissions of approximately \$7.0 million. We incurred offering expenses of approximately \$30.5 million, including costs associated with the offering by the selling stockholders. In the third quarter of 2021, we used the proceeds from the offering, together with cash on hand, to satisfy payments of approximately \$127.5 million in respect of vested phantom shares, including \$23.5 million in respect of vested phantom shares held by certain of our executive officers, that became due upon the completion of the offering, including \$10.1 million in deferred dividend payments in respect of such vested phantom shares. We did not receive any proceeds from the sale of shares of our Class A Common Stock in the offering by the selling stockholders.

Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC acted as lead book-running managers and representatives of the underwriters for the offering. BofA Securities, Inc., Morgan Stanley & Co. LLC, Robert W. Baird & Co. Incorporated, RBC Capital Markets, LLC, Wells Fargo Securities, LLC and William Blair & Company, L.L.C. acted as joint book-runners for the offering. Blackstone Securities Partners L.P., TD Securities (USA) LLC, BTIG, LLC, Fifth Third Securities, Inc., AmeriVet Securities, Inc., Blaylock Van, LLC, C.L. King & Associates, Inc. and Penserra Securities LLC acted as co-managers for the offering.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Employment Agreements

We have entered into an employment agreement with each of Jarrod Johnson, our Chief Customer Officer, and Balaji Sekar, our Chief Financial Officer. Mr. Johnson's agreement supersedes his previous offer letter, which contained a severance provision. Mr. Sekar did not previously have an employment agreement.

Johnson Employment Agreement

TaskUs Holdings, Inc. entered into an Employment Agreement with Mr. Johnson on August 5, 2021 (the "Johnson Employment Agreement") pursuant to which Mr. Johnson continues to serve as our Chief Customer Officer. The Johnson Employment Agreement is effective from July 22, 2021 through July 1, 2025, after which it will automatically be extended for successive one-year terms, until terminated, which termination may be made by either us or Mr. Johnson. Pursuant to the Johnson Employment Agreement, Mr. Johnson is entitled to receive an annual base salary of \$350,000 and is eligible to receive an annual incentive bonus, subject to the terms of the annual bonus plan under which it is granted. Under the Johnson Employment Agreement, Mr. Johnson received certain long-term incentive awards under our 2021 Omnibus Incentive Plan, as described below.

In the event Mr. Johnson's employment is terminated by us without "cause", or Mr. Johnson resigns from employment with "good reason", in each case as defined in the Johnson Employment Agreement, subject to his execution of an effective release of claims in favor of the Company, he is entitled to receive separation pay in an amount equal to the sum of his annual base salary and target annual bonus for the year in which such termination of employment occurs.

The Johnson Employment Agreement prohibits Mr. Johnson from competing with our business during employment and for one year following the termination of Mr. Johnson's employment for any reason. The Johnson Employment Agreement further prohibits Mr. Johnson from soliciting our employees or clients during employment and for two years following the termination of Mr. Johnson's employment for any reason.

Mr. Johnson is also party to a confidential information and invention assignment agreement which contains a perpetual confidentiality covenant and an intellectual property assignment provision in favor of TaskUs Holdings, Inc.

The foregoing description of the Johnson Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Johnson Employment Agreement, which is attached hereto as Exhibit 10.8, and is incorporated herein by reference.

Sekar Employment Agreement

TaskUs Holdings, Inc. entered into an Employment Agreement with Mr. Sekar on August 5, 2021 (the "Sekar Employment Agreement") pursuant to which Mr. Sekar continues to serve as our Chief Financial Officer. The Sekar Employment Agreement is effective from July 22, 2021 through July 1, 2025, after which it will automatically be extended for successive one-year terms, until terminated, which termination may be made by either us or Mr. Sekar. Pursuant to the Sekar Employment Agreement, Mr. Sekar is entitled to receive an annual base salary of \$350,000 and is eligible to receive an annual incentive bonus, subject to the terms of the annual bonus plan under which it is granted. Under the Sekar Employment Agreement, Mr. Sekar received certain long-term equity incentive awards under our 2021 Omnibus Incentive Plan, as described below.

In the event Mr. Sekar's employment is terminated by us without "cause" or Mr. Sekar resigns from employment with "good reason", in each case as defined in the Sekar Employment Agreement, subject to his execution of an effective release of claims in favor of the Company, he is entitled to receive

separation pay in an amount equal to the sum of his annual base salary and target annual bonus for the year in which such termination of employment occurs.

The Sekar Employment Agreement prohibits Mr. Sekar from competing with our business during employment and for one year following the termination of Mr. Sekar's employment for any reason. The Sekar Employment Agreement further prohibits Mr. Sekar from soliciting our employees or clients during employment and for two years following the termination of Mr. Sekar's employment for any reason.

Mr. Sekar is also party to a confidential information and invention assignment agreement which contains a perpetual confidentiality covenant and an intellectual property assignment provision in favor of TaskUs Holdings, Inc.

The foregoing description of the Sekar Employment Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Sekar Employment Agreement, which is attached hereto as Exhibit 10.9, and is incorporated herein by reference.

Equity Awards

In connection with the employment agreements described above, on August 5, 2021, our board of directors granted Messrs. Johnson and Sekar certain long-term equity incentive awards under the TaskUs, Inc. 2021 Omnibus Incentive Plan (the "Omnibus Incentive Plan"). Our board of directors granted Mr. Johnson (i) 199,071 time-based restricted stock units ("RSUs"), (ii) 232,250 time-based stock options, and (iii) 66,357 performance-based restricted stock units ("PSUs"). Our board granted Mr. Sekar (i) 199,071 RSUs and (ii) 199,071 time-based stock options.

As a condition to receiving each of the long-term incentive awards described above, Messrs. Johnson and Sekar were required to enter into award agreements with us that governs the rights of Messrs. Johnson and Sekar with respect to the long-term incentive awards.

The RSU award agreements provide that 20% of the RSUs vest on each of the first three anniversaries of the vesting reference date, and the remaining 40% on the fourth anniversary of the vesting reference date, such that they will be fully vested on the fourth anniversary of the grant date, subject to continuous service through each vesting date. The vesting commencement date for the RSUs awarded to each of Messrs. Sekar and Johnson is August 5, 2021.

The stock option award agreements provide that 20% of the stock options vest on each of the first three anniversaries of the vesting reference date, and the remaining 40% on the fourth anniversary of the vesting reference date, such that they will be fully vested on the fourth anniversary of the grant date, subject to continuous service through each vesting date. The vesting commencement date for the stock options awarded to each of Messrs. Sekar and Johnson is August 5, 2021 and the exercise price is \$30.14, which was the closing price per share of our common stock on the Nasdaq Global Select Market on August 5, 2021.

Mr. Johnson's PSU award agreement provides that his PSU award will remain outstanding and eligible to vest on the fourth anniversary of the grant date, based on the achievement of market capitalization CAGR levels. 50% of the PSUs will vest if we achieve a market capitalization CAGR of at least 25.1% for the four-year period beginning on the grant date and ending on the fourth anniversary of the grant date (the "Performance Period"). 100% of the PSUs will vest if we achieve a market capitalization CAGR of at least 35.1% for the Performance Period. None of the PSUs will vest if we fail to achieve a market capitalization CAGR of at least 25.1%.

The foregoing description of the long-term incentive awards does not purport to be complete and is qualified in its entirety by reference to the full text of the forms of award agreement, which are attached hereto as Exhibits 10.10, 10.11 and 10.12, and are incorporated herein by reference.

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Item 6. Exhibits.

Exhibit No.	Description
3.1	<u>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).</u>
3.2	<u>Second Amended and Restated Bylaws of TaskUs, Inc., dated as of June 10, 2021 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on June 15, 2021).</u>
10.1	<u>Amended and Restated Stockholders Agreement, dated as of June 15, 2021, by and among the Company and the other parties thereto (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 15, 2021).</u>
10.2	<u>Registration Rights Agreement, dated as of June 15, 2021, by and among the Company and the other parties thereto (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 15, 2021).</u>
10.3	<u>TaskUs, Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on June 15, 2021).</u>
10.4	<u>Amended and Restated 2019 TaskUs, Inc. Stock Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on June 15, 2021).</u>
10.5	<u>Form of Restricted Stock Unit Agreement (Founder's Award) under TaskUs, Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1/A filed on May 6, 2021).</u>
10.6	<u>Form of Option Agreement (Founder's Award) under TaskUs, Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement Form S-1/A filed on May 6, 2021).</u>
10.7	<u>Form of Performance Stock Unit Agreement (Founder's Award) under TaskUs, Inc. 2021 Omnibus Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement on Form S-1/A filed on May 6, 2021).</u>
10.8	<u>Executive Employment Agreement, dated as of August 5, 2021, by and between the Company and Jarrod Johnson.</u>
10.9	<u>Executive Employment Agreement, dated as of August 5, 2021, by and between the Company and Balaji Sekar.</u>
10.10	<u>Form of Restricted Stock Unit Agreement under TaskUs, Inc. 2021 Omnibus Incentive Plan.</u>
10.11	<u>Form of Option Agreement under TaskUs, Inc. 2021 Omnibus Incentive Plan.</u>
10.12	<u>Form of Performance Stock Unit Agreement under TaskUs, Inc. 2021 Omnibus Incentive Plan</u>
31.1	<u>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.</u>
31.2	<u>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.</u>
32.1*	<u>Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2*	<u>Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
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)

* Furnished herewith.

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

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 11, 2021

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

Date: August 11, 2021

By: /s/ Steven Amaya
Steven Amaya
Vice President—Finance
(Principal Accounting Officer)

Executive Employment Agreement

This Employment Agreement (the “**Agreement**”) is made and entered into as of August 5, 2021 by and between Jarrod Johnson (the “**Executive**”) and TaskUs Holdings, Inc., a Delaware corporation, (the “**Company**”).

WHEREAS, the Company desires to employ the Executive on the terms and conditions set forth herein; and

WHEREAS, the Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. Term.

Subject to 5 of this Agreement, the Executive’s initial term of employment hereunder shall be from the period beginning on July 22, 2021 (the “Effective Date”) through July 1, 2025 (the “Initial Term”). Thereafter, the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party provides written notice of its intention not to extend the term at least 90 days prior to the end of the Initial Term or one-year extension thereof. The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the “Employment Term.”

2. Position and Duties.

2.1 Position.

During the Employment Term, the Executive shall serve as the Chief Customer Officer of the Company, reporting to the Chief Executive Officer. In this position, the Executive shall have such duties, authority, and responsibilities as are consistent with the Executive’s position, including but not limited to responsibility for global Sales and Client Services. Executive’s reporting structure may change in the event of a change in control of the Company.

2.2 Duties.

During the Employment Term, the Executive shall devote substantially all of his business time and attention to the performance of the Executive’s duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board.

3. Place of Performance.

The principal place of Executive’s employment shall be Dallas, Texas; provided that, the Executive may be required to travel on Company business during the Employment Term.

4. Compensation.

4.1 Base Salary.

The Company shall pay the Executive an annual rate of base salary of \$350,000 in periodic installments in accordance with the Company's customary payroll practices and applicable wage payment laws, but no less frequently than monthly. The Executive's base salary shall be reviewed at least annually by the Compensation Committee of the Board (the "Compensation Committee") and the Compensation Committee may increase the Executive's base salary during the Employment Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as "**Base Salary.**"

4.2 Annual Bonus.

- (a) For each fiscal year of the Employment Term, the Executive shall be eligible to receive an annual bonus (the "**Annual Bonus**"). However, the decision to provide any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Compensation Committee.
- (b) The Annual Bonus will be subject to the terms of the Company annual bonus plan under which it is granted.
- (c) In order to be eligible to receive an Annual Bonus, the Executive must be employed by the Company on the day of the applicable date that Annual Bonuses are paid.

4.3 Equity Awards.

The Executive shall be eligible to participate in the TaskUs, Inc. 2021 Omnibus Incentive Plan (the "Omnibus Plan") or any successor plan, subject to the terms of the Omnibus Plan or successor plan, as determined by the Board or the Compensation Committee, in its discretion.

- (a) In consideration of the Executive entering into this Agreement, and subject to approval by the Compensation Committee, the Company will grant to the Executive the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the terms and conditions contained in the Restricted Stock Unit Agreement (to be provided upon approval by the Compensation Committee), and in the Omnibus Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.
 - (i) Restricted Stock Units: a number equivalent to \$6,000,000 in value, to be determined by the Compensation Committee as of August 5, 2021.
 - (ii) Vesting Schedule: Provided the Executive has not undergone a Termination at the time of the applicable vesting date (or event): 1/5 of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is one year following the Vesting Reference Date; 1/5 of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is two years following the Vesting Reference Date; 1/5 of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is three years following the Vesting Reference Date; and the remaining Restricted Stock Units will vest on the date that is four years following the Vesting Reference Date.
- (b) In consideration of the Executive entering into this Agreement, and subject to approval by the Compensation Committee, the Company will grant to the Executive the number of Options (each Option representing the right to purchase one share of Class A Common Stock) set forth below, at an Exercise Price per share as set forth below. The Options are subject to all of the terms and conditions as set forth herein, in the Option Agreement (to be provided upon approval by the Compensation Committee), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

- (i) Number of Options: a number equivalent to \$7,000,000 in value, to be determined by the Compensation Committee as of August 5, 2021.
 - (ii) Exercise Price: to be determined by the Compensation Committee based upon the Fair Market Value of the Company's Class A Common Stock on the date of grant.
 - (iii) Option Period Expiration Date: 10th anniversary of Grant Date
 - (iv) Type of Option: Non-Qualified Stock Option
 - (v) Vesting Schedule: Provided the Participant has not undergone a Termination at the time of the applicable vesting date (or event): 1/5 of the Options (rounded down to the nearest whole share) will vest on the date that is one year following the Vesting Reference Date; 1/5 of the Options (rounded down to the nearest whole share) will vest on the date that is two years following the Vesting Reference Date; 1/5 of the Options (rounded down to the nearest whole share) will vest on the date that is three years following the Vesting Reference Date; and the remaining Options will vest on the date that is four years following the Vesting Reference Date.
- (c) In consideration of the Executive entering into this Agreement, and subject to approval by the Compensation Committee, the Company will grant to the Executive the number of Performance Stock Units set forth below. The Performance Stock Units are subject to all of the terms and conditions contained in the Performance Stock Unit Agreement (to be provided upon approval by the Compensation Committee), and the Omnibus Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.
- (i) Performance Stock Units: a number equivalent to \$2,000,000 in value, to be determined by the Compensation Committee as of August 5, 2021, subject to the vesting requirements set forth below.
 - (ii) Vesting Requirements: The Performance Stock Units will vest on the date that is four years following the Date of Grant based on the achievement of the specified Market Cap CAGR levels (the "Levels of Achievement"), as defined in the Performance Stock Unit Agreement, illustrated as follows:

<u>Performance Condition</u>	<u>Level of Achievement</u>	
	<u>First</u>	<u>Second</u>
Market Cap CAGR	25.1%	35.1%

Provided that the Executive has not undergone a Termination, the Performance Stock Units that become earned Performance Stock Units in accordance with the Performance Condition Level of Achievements indicated above shall become vested as follows:

<u>Level of Achievement</u>	<u>Percentage of Vesting Eligible PSUs Earned</u>
Below First	0%
First	50%
Second	100%
Above Second	100%

4.4 Fringe Benefits and Perquisites.

During the Employment Term, the Executive shall be entitled to fringe benefits and perquisites consistent with those provided to similarly situated executives of the Company.

4.5 Employee Benefits.

During the Employment Term, the Executive shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**"), to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

4.6 Vacation; Paid Time Off.

During the Employment Term, the Executive shall be entitled to paid time off in accordance with the Company's policies for executive officers as such policies may exist from time to time and as required by applicable law.

4.7 Business Expenses.

The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's expense reimbursement policies and procedures. Subject to the Company's expense reimbursement policies, Executive will have the opportunity to modify or pay out-of-pocket for any expenses that are not eligible for reimbursement submitted by mistake without disciplinary action.

4.8 Clawback Provisions.

Any amounts payable under this Agreement are subject to any policy (whether in existence as of the Effective Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to the Executive. Further, amounts paid under Section 5.2(a) below shall be forfeited and repaid to the Company in the event Executive breaches the restrictive covenants contained in Section 7 below. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

5. Termination of Employment.

The Employment Term and the Executive's employment hereunder may be terminated by either the Company or the Executive at any time and for any reason or for no particular reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least 90 days advance written notice of any termination of the Executive's employment. Upon termination of the Executive's employment during the Employment Term, the Executive shall be entitled to the compensation and benefits described in this 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

5.1 For Cause or Without Good Reason.

- (a) The Executive's employment hereunder may be terminated by the Company for Cause, or by the Executive without Good Reason and the Executive shall be entitled to receive:
- (i) any accrued but unpaid Base Salary which shall be paid in accordance with the Company's customary payroll procedures;
 - (ii) reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Company's expense reimbursement policy; and
 - (iii) such employee benefits (including equity compensation), if any, to which the Executive may be entitled under the Company's employee benefit plans as of the date of the Executive's termination; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 5.1(a)(i) through 5.1(a)(iv) are referred to herein collectively as the "**Accrued Amounts.**"

- (b) For purposes of this Agreement, "**Cause**" shall mean:
- (i) the Executive's engagement in dishonesty, illegal conduct, or material misconduct, which is, in each case, injurious to the Company or its affiliates;
 - (ii) the Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;
 - (iii) the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;
 - (iv) the Executive's material violation of the Company's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct;
 - (v) the Executive's material breach of any obligation under this Agreement or any other written agreement between the Executive and the Company; or
 - (vi) the Executive's engagement in conduct that brings or is reasonably likely to bring the Company negative publicity or into public disgrace, embarrassment, or disrepute.

If the Company anticipates terminating the Executive for Cause, and the conduct giving rise to such termination for Cause is capable of being cured by Executive, the Company shall provide written notice to the Executive of the existence of the circumstances providing grounds for termination for Cause within 10 days from the time the Company's Chief Executive Officer's becomes aware of the existence of such grounds and the Executive has at least 10 days from the date on which such notice is provided to cure such circumstances.

- (c) For purposes of this Agreement, “**Good Reason**” shall mean the occurrence of any of the following, in each case during the Employment Term without the Executive’s prior written consent:
- (i) a material reduction in the Executive’s Base Salary and Target Bonus other than a general reduction in Base Salary and Target Bonus that affects all similarly situated executives in substantially the same proportions;
 - (ii) any material breach by the Company of any material provision of this Agreement;
 - (iii) the Company’s failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law; or
 - (iv) a material, adverse change in the Executive’s authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law).

To terminate his employment for Good Reason, the Executive must provide written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within 30 days of the initial existence of such grounds and the Company must have at least 15 days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate his employment for Good Reason within 45 days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived his right to terminate for Good Reason with respect to such grounds.

5.2 Non-Renewal by the Company, Without Cause or for Good Reason.

The Employment Term and the Executive’s employment hereunder may be terminated by the Executive for Good Reason or by the Company without Cause or on account of the Company’s failure to renew the Agreement in accordance with 1. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and subject to the Executive’s compliance with 6 of this Agreement and his execution, within 45 days following receipt, of a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company (the “**Release**”) (such 45-day period, the “**Release Execution Period**”)], and the Release becoming effective according to its terms, the Executive shall be entitled to receive the following:

- (a) equal installment payments payable in accordance with the Company’s normal payroll practices, but no less frequently than monthly, which are in the aggregate equal the sum of one year of the Executive’s Base Salary and Target Bonus for the year in which Executive’s termination occurs.
- (b) The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Omnibus Plan and the applicable award agreements.

5.3 Death or Disability.

- (a) The Executive’s employment hereunder shall terminate automatically upon the Executive’s death during the Employment Term, and the Company may terminate the Executive’s employment on account of the Executive’s Disability or death.
- (b) If the Executive’s employment is terminated during the Employment Term on account of the Executive’s death or Disability, the Executive (or the Executive’s estate and/or beneficiaries, as the case may be) shall be entitled to receive the following:
 - (i) the Accrued Amounts; and

- (ii) a lump sum payment equal to the Annual Bonus, if any, that the Executive would have earned for the fiscal year that includes the date of the Executive's termination based on the achievement of applicable performance goals for such year, which shall be payable on the date that annual bonuses are paid to the Company's similarly situated executives.

Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

- (c) For purposes of this Agreement, "**Disability**" shall mean the Executive is entitled to receive long-term disability benefits under the Company's long-term disability plan. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. The determination of Disability shall be made in writing to the Company and the Executive and shall be final and conclusive for all purposes of this Agreement. In the event of Disability, treatment of Equity Awards granted pursuant to Section 4.3 above shall be governed according to the Omnibus Plan.

5.4 Notice of Termination.

Any termination of the Executive's employment hereunder by the Company or by the Executive during the Employment Term (other than termination pursuant to 5.3(a) on account of the Executive's death) shall be communicated by written notice of termination ("**Notice of Termination**") to the other party. The Notice of Termination shall specify:

- (a) the termination provision of this Agreement relied upon; and
- (b) to the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

5.5 Resignation of All Other Positions.

Upon termination of the Executive's employment hereunder for any reason, the Executive agrees to resign or shall be deemed to have resigned from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Company or any of its affiliates.

6. **Confidentiality**

6.1 Definition of Confidential Information.

"Confidential Information" refers to an item of information, or a compilation of information, in any form (tangible or intangible), related to the Company's business that the Company has not made public or authorized public disclosure of, and that is not through proper means readily available to persons outside the Company who are under no obligation to keep it confidential. Confidential Information will not lose its protected status under this Agreement if it becomes known to other persons through improper means such as the unauthorized use or disclosure of the information by Executive or another person. Confidential Information includes, but is not limited to: (i) information related to the Company's methods of operations, financial information, strategic planning, operations budgets and strategies, payroll data, management systems, programs, computer systems, marketing plans and strategies, and merger and acquisition strategies; (ii) the Company's business plans and analysis, customer and prospect lists, research and development data, buying practices, methods, techniques, technical data, know-how, innovations, unpatented inventions, and trade secrets; and (iii) information about the business affairs of third parties (including, but not limited to, clients and

acquisition targets) that such third parties provide to the Company in confidence. Confidential Information will include trade secrets, but an item of Confidential Information need not qualify as a trade secret to be protected by this Agreement. The Company's confidential exchange of information with a third party for business purposes will not remove it from protection under this Agreement. The presence of non-confidential items of information within an otherwise confidential compilation of information will not remove the compilation itself from the protection of this Agreement. Executive acknowledges that items of Confidential Information are the Company's valuable assets and have economic value, actual or potential, because they are not generally known by the public or others who could use them to their own economic benefit and/or to the competitive disadvantage of the Company, and thus, should be treated as the Company's trade secrets.

6.2 Unauthorized Use or Disclosure.

Executive agrees to hold the Company's Confidential Information in confidence and trust, and not to engage in any unauthorized use or disclosure of such information for so long thereafter as such information qualifies as Confidential Information. If disclosure is compelled by law, Executive will give the Company as much written notice as possible under the circumstances, will refrain from use or disclosure for as long as the law allows, and will cooperate with the Company to protect such information, including taking every reasonable step to protect against unnecessary disclosure. Executive agrees that if he becomes aware of an unauthorized use or disclosure of the Company's Confidential Information, he will immediately notify TaskUs Legal Department. Nothing contained in this Agreement precludes Executive, or any individual, from communicating with any government agency, including the Securities & Exchange Commission (SEC). This Agreement is intended to supplement and not supersede Executive's Confidentiality and Inventions Assignment Agreement with the Company.

6.3 Third Party Confidential Information.

Executive recognizes that TaskUs has received and in the future will receive from third parties their confidential or proprietary information ("Third Party Confidential Information") subject to a duty on TaskUs' behalf to maintain the confidentiality of such information and to use it only for certain limited purposes. Executive agrees to hold each such Third Party Confidential Information in the strictest confidence and not to disclose it to any person, firm, corporation, or entity in whatever form, or to use it except as necessary in carrying out work for TaskUs consistent with the Company's agreement with any such third party.

6.4 Assignment of Inventions.

Executive hereby acknowledges that all rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Executive discovered, invented or originated during Executive's employment with the Company, or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company, (collectively, "Inventions"), are the exclusive property of TaskUs and Executive hereby irrevocably assigns all right, title and interest in and to all Inventions to TaskUs. Executive hereby agrees to execute at the request of TaskUs any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and Executive will assist TaskUs at TaskUs's expense, in obtaining, defending and enforcing TaskUs' rights therein.

7. **Post-Employment Restrictions.**

7.1 **Definitions.**

- (a) **“Look Back Period”** shall mean the final two years of employment. References to the end of Executive’s employment or termination of employment in this Agreement refer to the end of employment, regardless of which party terminates the relationship or the reason(s) for such termination.
- (b) **“Restricted Area”** shall mean the territory or territories that Executive was assigned, had responsibilities or duties for, or called on Covered Customers (defined below) within the Look Back Period. If this definition is inapplicable, then “Restricted Area” refers to the United States and each additional country where the Company does business.
- (c) **“Solicit”** and related terms such as **“Soliciting”** shall mean to knowingly engage in acts or communications, in person or through others, that are intended to cause, or can reasonably be expected to induce or encourage, a particular responsive action (such as buying a good or service or hiring), regardless of which party first initiates the communication or whether the communication is response to an inquiry or not.
- (d) **“Covered Client”** shall mean an established client of the Company (person or entity) as to which Executive had business-related contact or dealings or received Confidential Information about during Executive’s employment with the Company. A client will be presumed to be established where actual sales and/or services have occurred or been performed, there is an active proposal for sales or services pending, or sales or services were being negotiated during the Look Back Period.
- (e) **“Conflicting Product or Service”** shall mean a product and/or service provided by a person or entity other than TaskUs that would replace or compete with a TaskUs product or service (existing or under development) that Executive had material involvement with or was provided Confidential Information about during Executive’s employment with the Company. By way of example, the products and services the Company provides to its clients that Executive is involved in may include but are not limited to content moderation services, digital customer experience services, artificial intelligence operations services, trust and safety services, including anti-money laundering and KYC services, other digital business process outsourcing services, and the provision of information technology or information services to the extent necessary to provide the foregoing. For the sake of clarity, a Conflicting Products or Service is a product or service actually offered or provided by TaskUs to its clients or one that it has plans to offer or provide during Executive’s employment with the Company. Conflicting Products or Services do not include a product or service of TaskUs if TaskUs is no longer in the business of providing such product or service to its customers at the relevant time of enforcement.
- (f) **“Competing Activities”** shall mean any activities or services undertaken on behalf of a competitor (which is understood to mean any person or entity engaged in the business of providing a Conflicting Product or Service) that are: (i) the same or similar in function or purpose to those Executive performed for the Company during the Look Back Period, or (ii) otherwise likely to result in the use or disclosure of Confidential Information. Competing Activities are understood to exclude: activities on behalf of an independently operated subsidiary, division, or unit of a diversified corporation or similar business that has common ownership with a competitor so long as the independently operated business unit does not involve a Conflicting Product or Service; and, a passive and non-controlling ownership interest in a competitor through ownership of less than 2% of the stock in a publicly traded company.

7.2 Restriction on Unfair Competition.

Executive agrees that during Executive's employment with the Company and for a period of one year thereafter, Executive will not participate in, supervise, or manage (as an employee, consultant, contractor, officer, owner, director, or otherwise) Competing Activities in the Restricted Area. The Parties agree this restriction is necessary to protect trade secrets, Confidential Information, goodwill, and other legitimate business interests of the Company.

7.3 Restriction on Interfering with Employee Relationships.

Executive agrees that during Executive's employment with the Company and for a period of two (2) years thereafter, Executive will not Solicit any employee of the Company that Executive has knowledge of through employment with the Company to terminate his or her employment with the Company. The restriction in this Section is necessary to protect Confidential Information, workforce stability, and other legitimate business interests, and to prevent unfair competition. Nothing herein is intended to be construed as a prohibition against general advertising such as "help wanted" ads that are not targeted at TaskUs' employees. The Parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the employees that Executive has knowledge of are located; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable, then it shall be considered limited to the Restricted Area. In the event TaskUs loses an employee due, in whole or in part, to conduct by Executive that violates this Agreement prior to the issuance of injunctive relief, Executive shall pay the Company a sum equal to thirty percent (30%) of the annual wages of the person(s) who were improperly solicited and left TaskUs, based on such person's last rate of pay with TaskUs. This payment shall not preclude or act as a substitute for any remedy that would otherwise be available, including but not limited to, injunctive relief to prevent further violations.

7.4 Restriction on Interfering with Customer Relationships.

Executive agrees that during Executive's employment with the Company and for a period of two (2) years thereafter, Executive will not directly or indirectly, Solicit a Covered Client to (i) cease or reduce doing business with TaskUs or (ii) purchase a Conflicting Product or Service. Executive understands and agrees that this restriction is necessary to protect trade secrets, Confidential Information, goodwill, and other legitimate business interests of the Company. The parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the Covered Customer is doing business at the time; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable, then it shall be considered limited to the Restricted Area.

7.5 Reasonableness of Covenants.

Executive acknowledges and agrees that the covenants in this Agreement are reasonable and valid in geographical and temporal scope and in all other respects.

7.6 Tolling.

If Executive violates one of the restrictions in this Agreement that contains a time limitation, the time period for the restriction at issue shall be extended by one day for each day Executive remains in violation of the restriction; provided, however, that this extension of time shall be capped so that once Executive has complied with the restriction for the originally proscribed length of time it shall expire.

8. Notice

Before accepting new employment, Executive will advise any such future employer of the restrictions in this Agreement. Executive agrees that the Company may advise any such future employer or prospective employer of this Agreement and its position on the potential application of this Agreement without such giving rise to any legal claim.

9. **Remedies for Breach.**

If Executive breaches or threatens to breach any of the provisions of this Agreement, the Company shall have the following rights and remedies, in addition to any others, each of which shall be independent of the other and severally enforceable:

- 9.1 The right to an injunction restraining such breach or threatened breach and to have the provisions of this Agreement specifically enforced by a court of competent jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy, and that no bond or other security shall be required in obtaining such equitable relief, provided however, that if the posting of a bond is required by law for injunctive relief to issue then a bond of \$1,000 shall be deemed a reasonable bond; and
- 9.2 The right and remedy to require Executive to account for and repay to the Company the severance described in Section 4.3 above, if any.
- 9.3 In accordance with the terms of the Omnibus Plan, the right to cancel any of the Executive's outstanding awards or provide for forfeiture and repayment to the Company on any gain realized on the vesting or exercise of any awards previously granted to Executive.
- 9.4 **Survival.** The post-employment restrictions provided for in this Agreement shall survive the termination of Executive's employment with the Company regardless of the cause of the termination. All of the restrictive covenants in this Agreement shall be construed as independent agreements; and, the existence of any claim or cause of action against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of Executive's obligations under this Agreement. If a court determines that a restriction provided for herein cannot be enforced as written due to over breadth (such as time, scope of activity, or geography) within the relevant jurisdiction, the court will (for purposes of that jurisdiction) enforce the restrictions to such lesser extent as is allowed by law and/or reform the restriction where such is necessary to make it enforceable to protect the Company's legitimate business interests. If, despite the foregoing, any provision contained in this Agreement is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision that was determined to be void, illegal, or unenforceable had not been contained herein. Any waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as waiver of any subsequent breach hereof.

10. **Arbitration.**

Any dispute, controversy, or claim arising out of or related to the Executive's employment by the Company, or termination of employment, including but not limited to claims arising under or related to this Agreement or any breach of this Agreement, and any alleged violation of federal, state, or local statute, regulation, common law, or public policy, shall be submitted to and decided by binding arbitration in accordance with the Alternative Dispute Resolution & Mutual Arbitration Agreement between the Parties (the "Arbitration Agreement"). The Arbitration Agreement is incorporated herein by reference.

11. **Governing Law, Jurisdiction, and Venue.** This Agreement, for all purposes, shall be construed in accordance with the laws of Texas without regard to conflicts of law principles.

12. Entire Agreement. Unless specifically provided herein, this Agreement, together with the Arbitration Agreement and any confidentiality agreement between the Executive and the Company, contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.
13. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the Chief Executive Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.
14. Severability. Should any provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.
15. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.
16. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
17. Section 409A.

17.1 General Compliance.

This Agreement is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any nonqualified deferred compensation payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

Specified Employees. Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Executive in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the date of the Executive's termination or, if earlier, on the Executive's death (the "**Specified Employee Payment Date**"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date [and interest on such amounts calculated based on the applicable federal rate published by the Internal Revenue Service for the month in which the Executive's separation from service occurs] shall be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

17.2 Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following:

- (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;
- (b) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and
- (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

18. Successors and Assigns. This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

19. Notice. Notices and all other communications provided for in this Agreement shall be given in writing by personal delivery, electronic delivery, or by registered mail to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

<p>If to the Company:</p> <p>TaskUs Holdings, Inc. c/o Chief Executive Officer 1650 New Independence Drive New Braunfels, Texas 78132 bryce@taskus.com</p>	<p>If to the Executive:</p> <p>jarrod@taskus.com</p>
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20. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

21. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

22. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

TaskUs Holdings, Inc.

By _____

Name: Bryce Maddock

Title: Chief Executive Officer

EXECUTIVE

Signature: _____

Jarrod Johnson

Executive Employment Agreement

This Employment Agreement (the “**Agreement**”) is made and entered into as of August 5, 2021 by and between Balaji Sekar (the “**Executive**”) and TaskUs Holdings, Inc., a Delaware corporation, (the “**Company**”).

WHEREAS, the Company desires to employ the Executive on the terms and conditions set forth herein; and

WHEREAS, the Executive desires to be employed by the Company on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and obligations set forth herein, the parties agree as follows:

1. Term.

Subject to 5 of this Agreement, the Executive’s initial term of employment hereunder shall be from the period beginning on July 22, 2021 (the “Effective Date”) through July 1, 2025 (the “Initial Term”). Thereafter, the Agreement shall be deemed to be automatically extended, upon the same terms and conditions, for successive periods of one year, unless either party provides written notice of its intention not to extend the term at least 90 days prior to the end of the Initial Term or one-year extension thereof. The period during which the Executive is employed by the Company hereunder is hereinafter referred to as the “Employment Term.”

2. Position and Duties.

2.1 Position.

During the Employment Term, the Executive shall serve as the Chief Financial Officer of the Company, reporting to the Chief Executive Officer. In this position, the Executive shall have such duties, authority, and responsibilities as are consistent with the Executive’s position, including but not limited to responsibility for global Finance. Executive’s reporting structure may change in the event of a change in control of the Company.

2.2 Duties.

During the Employment Term, the Executive shall devote substantially all of his business time and attention to the performance of the Executive’s duties hereunder and will not engage in any other business, profession, or occupation for compensation or otherwise which would conflict or interfere with the performance of such services either directly or indirectly without the prior written consent of the Board.

3. Place of Performance.

The Executive shall work primarily remotely; provided that, the Executive may be required to travel on Company business during the Employment Term.

4. Compensation.

4.1 Base Salary.

The Company shall pay the Executive an annual rate of base salary of \$350,000 in periodic installments in accordance with the Company’s customary payroll practices and applicable wage

payment laws, but no less frequently than monthly. The Executive's base salary shall be reviewed at least annually by the Compensation Committee of the Board (the "Compensation Committee") and the Compensation Committee may increase the Executive's base salary during the Employment Term. The Executive's annual base salary, as in effect from time to time, is hereinafter referred to as "**Base Salary.**"

4.2 Annual Bonus.

- (a) For each fiscal year of the Employment Term, the Executive shall be eligible to receive an annual bonus (the "**Annual Bonus**"). However, the decision to provide any Annual Bonus and the amount and terms of any Annual Bonus shall be in the sole and absolute discretion of the Compensation Committee.
- (b) The Annual Bonus will be subject to the terms of the Company annual bonus plan under which it is granted.
- (c) In order to be eligible to receive an Annual Bonus, the Executive must be employed by the Company on the day of the applicable date that Annual Bonuses are paid.

4.3 Equity Awards.

The Executive shall be eligible to participate in the TaskUs, Inc. 2021 Omnibus Incentive Plan (the "Omnibus Plan") or any successor plan, subject to the terms of the Omnibus Plan or successor plan, as determined by the Board or the Compensation Committee, in its discretion.

- (a) In consideration of the Executive entering into this Agreement, and subject to approval by the Compensation Committee, the Company will grant to the Executive the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the terms and conditions contained in the Restricted Stock Unit Agreement (to be provided upon approval by the Compensation Committee), and in the Omnibus Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.
 - (i) Restricted Stock Units: a number equivalent to \$6,000,000 in value, to be determined by the Compensation Committee as of August 5, 2021.
 - (ii) Vesting Schedule: Provided the Executive has not undergone a Termination at the time of the applicable vesting date (or event): 1/5 of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is one year following the Vesting Reference Date; 1/5 of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is two years following the Vesting Reference Date; 1/5 of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is three years following the Vesting Reference Date; and the remaining Restricted Stock Units will vest on the date that is four years following the Vesting Reference Date.
- (b) In consideration of the Executive entering into this Agreement, and subject to approval by the Compensation Committee, the Company will grant to the Executive the number of Options (each Option representing the right to purchase one share of Class A Common Stock) set forth below, at an Exercise Price per share as set forth below. The Options are subject to all of the terms and conditions as set forth herein, in the Option Agreement (to be provided upon approval by the Compensation Committee), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

- (i) Number of Options: a number equivalent to \$6,000,000 in value, to be determined by the Compensation Committee as of August 5, 2021.
- (ii) Exercise Price: to be determined by the Compensation Committee based upon the Fair Market Value of the Company's Class A Common Stock on the date of grant.
- (iii) Option Period Expiration Date: 10th anniversary of Grant Date
- (iv) Type of Option: Non-Qualified Stock Option
- (v) Vesting Schedule: Provided the Participant has not undergone a Termination at the time of the applicable vesting date (or event); 1/5 of the Options (rounded down to the nearest whole share) will vest on the date that is one year following the Vesting Reference Date; 1/5 of the Options (rounded down to the nearest whole share) will vest on the date that is two years following the Vesting Reference Date; 1/5 of the Options (rounded down to the nearest whole share) will vest on the date that is three years following the Vesting Reference Date; and the remaining Options will vest on the date that is four years following the Vesting Reference Date.

4.4 Fringe Benefits and Perquisites.

During the Employment Term, the Executive shall be entitled to fringe benefits and perquisites consistent with those provided to similarly situated executives of the Company.

4.5 Employee Benefits.

During the Employment Term, the Executive shall be entitled to participate in all employee benefit plans, practices, and programs maintained by the Company, as in effect from time to time (collectively, "**Employee Benefit Plans**"), to the extent consistent with applicable law and the terms of the applicable Employee Benefit Plans. The Company reserves the right to amend or terminate any Employee Benefit Plans at any time in its sole discretion, subject to the terms of such Employee Benefit Plan and applicable law.

4.6 Vacation; Paid Time Off.

During the Employment Term, the Executive shall be entitled to paid time off in accordance with the Company's policies for executive officers as such policies may exist from time to time and as required by applicable law.

4.7 Business Expenses.

The Executive shall be entitled to reimbursement for all reasonable and necessary out-of-pocket business, entertainment, and travel expenses incurred by the Executive in connection with the performance of the Executive's duties hereunder in accordance with the Company's expense reimbursement policies and procedures. Subject to the Company's expense reimbursement policies, Executive will have the opportunity to modify or pay out-of-pocket for any expenses that are not eligible for reimbursement submitted by mistake without disciplinary action.

4.8 Clawback Provisions.

Any amounts payable under this Agreement are subject to any policy (whether in existence as of the Effective Date or later adopted) established by the Company providing for clawback or recovery of amounts that were paid to the Executive. Further, amounts paid under Section 5.2(a) below shall be forfeited and repaid to the Company in the event Executive breaches the restrictive covenants contained in Section 7 below. The Company will make any determination for clawback or recovery in its sole discretion and in accordance with any applicable law or regulation.

5. Termination of Employment.

The Employment Term and the Executive's employment hereunder may be terminated by either the Company or the Executive at any time and for any reason or for no particular reason; provided that, unless otherwise provided herein, either party shall be required to give the other party at least 90 days advance written notice of any termination of the Executive's employment. Upon termination of the Executive's employment during the Employment Term, the Executive shall be entitled to the compensation and benefits described in this 5 and shall have no further rights to any compensation or any other benefits from the Company or any of its affiliates.

5.1 For Cause or Without Good Reason.

- (a) The Executive's employment hereunder may be terminated by the Company for Cause, or by the Executive without Good Reason and the Executive shall be entitled to receive:
- (i) any accrued but unpaid Base Salary which shall be paid in accordance with the Company's customary payroll procedures;
 - (ii) reimbursement for unreimbursed business expenses properly incurred by the Executive, which shall be subject to and paid in accordance with the Company's expense reimbursement policy; and
 - (iii) such employee benefits (including equity compensation), if any, to which the Executive may be entitled under the Company's employee benefit plans as of the date of the Executive's termination; provided that, in no event shall the Executive be entitled to any payments in the nature of severance or termination payments except as specifically provided herein.

Items 5.1(a)(i) through 5.1(a)(iv) are referred to herein collectively as the "**Accrued Amounts.**"

- (b) For purposes of this Agreement, "**Cause**" shall mean:
- (i) the Executive's engagement in dishonesty, illegal conduct, or material misconduct, which is, in each case, injurious to the Company or its affiliates;
 - (ii) the Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;
 - (iii) the Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;
 - (iv) the Executive's material violation of the Company's written policies or codes of conduct, including written policies related to discrimination, harassment, performance of illegal or unethical activities, and ethical misconduct;
 - (v) the Executive's material breach of any obligation under this Agreement or any other written agreement between the Executive and the Company; or

- (vi) the Executive's engagement in conduct that brings or is reasonably likely to bring the Company negative publicity or into public disgrace, embarrassment, or disrepute.

If the Company anticipates terminating the Executive for Cause, and the conduct giving rise to such termination for Cause is capable of being cured by Executive, the Company shall provide written notice to the Executive of the existence of the circumstances providing grounds for termination for Cause within 10 days from the time the Company's Chief Executive Officer's becomes aware of the existence of such grounds and the Executive has at least 10 days from the date on which such notice is provided to cure such circumstances.

- (c) For purposes of this Agreement, "**Good Reason**" shall mean the occurrence of any of the following, in each case during the Employment Term without the Executive's prior written consent:
 - (i) a material reduction in the Executive's Base Salary and Target Bonus other than a general reduction in Base Salary and Target Bonus that affects all similarly situated executives in substantially the same proportions;
 - (ii) any material breach by the Company of any material provision of this Agreement;
 - (iii) the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law; or
 - (iv) a material, adverse change in the Executive's authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law).

To terminate his employment for Good Reason, the Executive must provide written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within 30 days of the initial existence of such grounds and the Company must have at least 15 days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate his employment for Good Reason within 45 days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived his right to terminate for Good Reason with respect to such grounds.

5.2 Non-Renewal by the Company, Without Cause or for Good Reason.

The Employment Term and the Executive's employment hereunder may be terminated by the Executive for Good Reason or by the Company without Cause or on account of the Company's failure to renew the Agreement in accordance with 1. In the event of such termination, the Executive shall be entitled to receive the Accrued Amounts and subject to the Executive's compliance with 6 of this Agreement and his execution, within 45 days following receipt, of a release of claims in favor of the Company, its affiliates and their respective officers and directors in a form provided by the Company (the "**Release**") (such 45-day period, the "**Release Execution Period**"), and the Release becoming effective according to its terms, the Executive shall be entitled to receive the following:

- (a) equal installment payments payable in accordance with the Company's normal payroll practices, but no less frequently than monthly, which are in the aggregate equal the sum of one year of the Executive's Base Salary and Target Bonus for the year in which Executive's termination occurs.

- (b) The treatment of any outstanding equity awards shall be determined in accordance with the terms of the Omnibus Plan and the applicable award agreements.

5.3 Death or Disability.

- (a) The Executive's employment hereunder shall terminate automatically upon the Executive's death during the Employment Term, and the Company may terminate the Executive's employment on account of the Executive's Disability or death.
- (b) If the Executive's employment is terminated during the Employment Term on account of the Executive's death or Disability, the Executive (or the Executive's estate and/or beneficiaries, as the case may be) shall be entitled to receive the following:
 - (i) the Accrued Amounts; and
 - (ii) a lump sum payment equal to the Annual Bonus, if any, that the Executive would have earned for the fiscal year that includes the date of the Executive's termination based on the achievement of applicable performance goals for such year, which shall be payable on the date that annual bonuses are paid to the Company's similarly situated executives.

Notwithstanding any other provision contained herein, all payments made in connection with the Executive's Disability shall be provided in a manner which is consistent with federal and state law.

- (c) For purposes of this Agreement, "**Disability**" shall mean the Executive is entitled to receive long-term disability benefits under the Company's long-term disability plan. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. The determination of Disability shall be made in writing to the Company and the Executive and shall be final and conclusive for all purposes of this Agreement. In the event of Disability, treatment of Equity Awards granted pursuant to Section 4.3 above shall be governed according to the Omnibus Plan.

5.4 Notice of Termination.

Any termination of the Executive's employment hereunder by the Company or by the Executive during the Employment Term (other than termination pursuant to 5.3(a) on account of the Executive's death) shall be communicated by written notice of termination ("**Notice of Termination**") to the other party. The Notice of Termination shall specify:

- (a) the termination provision of this Agreement relied upon; and
- (b) to the extent applicable, the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated.

5.5 Resignation of All Other Positions.

Upon termination of the Executive's employment hereunder for any reason, the Executive agrees to resign or shall be deemed to have resigned from all positions that the Executive holds as an officer or member of the Board (or a committee thereof) of the Company or any of its affiliates.

6. **Confidentiality**

6.1 **Definition of Confidential Information.**

“Confidential Information” refers to an item of information, or a compilation of information, in any form (tangible or intangible), related to the Company’s business that the Company has not made public or authorized public disclosure of, and that is not through proper means readily available to persons outside the Company who are under no obligation to keep it confidential. Confidential Information will not lose its protected status under this Agreement if it becomes known to other persons through improper means such as the unauthorized use or disclosure of the information by Executive or another person. Confidential Information includes, but is not limited to: (i) information related to the Company’s methods of operations, financial information, strategic planning, operations budgets and strategies, payroll data, management systems, programs, computer systems, marketing plans and strategies, and merger and acquisition strategies; (ii) the Company’s business plans and analysis, customer and prospect lists, research and development data, buying practices, methods, techniques, technical data, know-how, innovations, unpatented inventions, and trade secrets; and (iii) information about the business affairs of third parties (including, but not limited to, clients and acquisition targets) that such third parties provide to the Company in confidence. Confidential Information will include trade secrets, but an item of Confidential Information need not qualify as a trade secret to be protected by this Agreement. the Company’s confidential exchange of information with a third party for business purposes will not remove it from protection under this Agreement. The presence of non-confidential items of information within an otherwise confidential compilation of information will not remove the compilation itself from the protection of this Agreement. Executive acknowledges that items of Confidential Information are the Company’s valuable assets and have economic value, actual or potential, because they are not generally known by the public or others who could use them to their own economic benefit and/or to the competitive disadvantage of the Company, and thus, should be treated as the Company’s trade secrets.

6.2 **Unauthorized Use or Disclosure.**

Executive agrees to hold the Company’s Confidential Information in confidence and trust, and not to engage in any unauthorized use or disclosure of such information for so long thereafter as such information qualifies as Confidential Information. If disclosure is compelled by law, Executive will give the Company as much written notice as possible under the circumstances, will refrain from use or disclosure for as long as the law allows, and will cooperate with the Company to protect such information, including taking every reasonable step to protect against unnecessary disclosure. Executive agrees that if he becomes aware of an unauthorized use or disclosure of the Company’s Confidential Information, he will immediately notify TaskUss Legal Department. Nothing contained in this Agreement precludes Executive, or any individual, from communicating with any government agency, including the Securities & Exchange Commission (SEC). This Agreement is intended to supplement and not supersede Executive’s Confidentiality and Inventions Assignment Agreement with the Company.

6.3 **Third Party Confidential Information.**

Executive recognizes that TaskUs has received and in the future will receive from third parties their confidential or proprietary information (“Third Party Confidential Information”) subject to a duty on TaskUs’ behalf to maintain the confidentiality of such information and to use it only for certain limited purposes. Executive agrees to hold each such Third Party Confidential Information in the strictest confidence and not to disclose it to any person, firm, corporation, or entity in whatever form, or to use it except as necessary in carrying out work for TaskUs consistent with the Company’s agreement with any such third party.

6.4 Assignment of Inventions.

Executive hereby acknowledges that all rights to discoveries, inventions, improvements and innovations, copyright and copyrightable materials (including all data and records pertaining thereto) related to the business of the Company, whether or not patentable, copyrightable, registrable as a trademark, or reduced to writing, that Executive discovered, invented or originated during Executive's employment with the Company, or any predecessor entity, either alone or with others and whether or not during working hours or by the use of the facilities of the Company, (collectively, "Inventions"), are the exclusive property of TaskUs and Executive hereby irrevocably assigns all right, title and interest in and to all Inventions to TaskUs Executive hereby agrees to execute at the request of TaskUs any assignments or other documents that the Company may deem necessary to protect or perfect the rights of the Company therein, and Executive will assist TaskUs at TaskUs's expense, in obtaining, defending and enforcing TaskUs' rights therein.

7. Post-Employment Restrictions.

7.1 Definitions.

- (a) "Look Back Period" shall mean the final two years of employment. References to the end of Executive's employment or termination of employment in this Agreement refer to the end of employment, regardless of which party terminates the relationship or the reason(s) for such termination.
- (b) "Restricted Area" shall mean the territory or territories that Executive was assigned, had responsibilities or duties for, or called on Covered Customers (defined below) within the Look Back Period. If this definition is inapplicable, then "Restricted Area" refers to the United States and each additional country where the Company does business.
- (c) "Solicit" and related terms such as "Soliciting" shall mean to knowingly engage in acts or communications, in person or through others, that are intended to cause, or can reasonably be expected to induce or encourage, a particular responsive action (such as buying a good or service or hiring), regardless of which party first initiates the communication or whether the communication is response to an inquiry or not.
- (d) "Covered Client" shall mean an established client of the Company (person or entity) as to which Executive had business-related contact or dealings or received Confidential Information about during Executive's employment with the Company. A client will be presumed to be established where actual sales and/or services have occurred or been performed, there is an active proposal for sales or services pending, or sales or services were being negotiated during the Look Back Period.
- (e) "Conflicting Product or Service" shall mean a product and/or service provided by a person or entity other than TaskUs that would replace or compete with a TaskUs product or service (existing or under development) that Executive had material involvement with or was provided Confidential Information about during Executive's employment with the Company. By way of example, the products and services the Company provides to its clients that Executive is involved in may include but are not limited to content moderation services, digital customer experience services, artificial intelligence operations services, trust and safety services, including anti-money laundering and KYC services, other digital business process outsourcing services, and the provision of information technology or information services to the extent necessary to provide the foregoing. For the sake of clarity, a Conflicting Products or Service is a product or service actually offered or provided by TaskUs to its clients or one that it has plans to offer or provide during Executive's employment with the Company. Conflicting Products or Services do not include a product or service of TaskUs if TaskUs is no longer in the business of providing such product or service to its customers at the relevant time of enforcement.

- (f) “Competing Activities” shall mean any activities or services undertaken on behalf of a competitor (which is understood to mean any person or entity engaged in the business of providing a Conflicting Product or Service) that are: (i) the same or similar in function or purpose to those Executive performed for the Company during the Look Back Period, or (ii) otherwise likely to result in the use or disclosure of Confidential Information. Competing Activities are understood to exclude: activities on behalf of an independently operated subsidiary, division, or unit of a diversified corporation or similar business that has common ownership with a competitor so long as the independently operated business unit does not involve a Conflicting Product or Service; and, a passive and non-controlling ownership interest in a competitor through ownership of less than 2% of the stock in a publicly traded company.

7.2 Restriction on Unfair Competition.

Executive agrees that during Executive’s employment with the Company and for a period of one year thereafter, Executive will not participate in, supervise, or manage (as an employee, consultant, contractor, officer, owner, director, or otherwise) Competing Activities in the Restricted Area. The Parties agree this restriction is necessary to protect trade secrets, Confidential Information, goodwill, and other legitimate business interests of the Company.

7.3 Restriction on Interfering with Employee Relationships.

Executive agrees that during Executive’s employment with the Company and for a period of two (2) years thereafter, Executive will not Solicit any employee of the Company that Executive has knowledge of through employment with the Company to terminate his or her employment with the Company. The restriction in this Section is necessary to protect Confidential Information, workforce stability, and other legitimate business interests, and to prevent unfair competition. Nothing herein is intended to be construed as a prohibition against general advertising such as “help wanted” ads that are not targeted at TaskUs’ employees. The Parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the employees that Executive has knowledge of are located; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable, then it shall be considered limited to the Restricted Area. In the event TaskUs loses an employee due, in whole or in part, to conduct by Executive that violates this Agreement prior to the issuance of injunctive relief, Executive shall pay the Company a sum equal to thirty percent (30%) of the annual wages of the person(s) who were improperly solicited and left TaskUs, based on such person’s last rate of pay with TaskUs. This payment shall not preclude or act as a substitute for any remedy that would otherwise be available, including but not limited to, injunctive relief to prevent further violations.

7.4 Restriction on Interfering with Customer Relationships.

Executive agrees that during Executive’s employment with the Company and for a period of two (2) years thereafter, Executive will not directly or indirectly, Solicit a Covered Client to (i) cease or reduce doing business with TaskUs or (ii) purchase a Conflicting Product or Service. Executive understands and agrees that this restriction is necessary to protect trade secrets, Confidential Information, goodwill, and other legitimate business interests of the Company. The parties agree this restriction is inherently reasonable in geography because it is limited to the places or locations where the Covered Customer is doing business at the time; however, if an additional geographic limitation is needed in order for the foregoing restriction to be enforceable, then it shall be considered limited to the Restricted Area.

7.5 Reasonableness of Covenants.

Executive acknowledges and agrees that the covenants in this Agreement are reasonable and valid in geographical and temporal scope and in all other respects.

7.6 Tolling.

If Executive violates one of the restrictions in this Agreement that contains a time limitation, the time period for the restriction at issue shall be extended by one day for each day Executive remains in violation of the restriction; provided, however, that this extension of time shall be capped so that once Executive has complied with the restriction for the originally proscribed length of time it shall expire.

8. Notice

Before accepting new employment, Executive will advise any such future employer of the restrictions in this Agreement. Executive agrees that the Company may advise any such future employer or prospective employer of this Agreement and its position on the potential application of this Agreement without such giving rise to any legal claim.

9. Remedies for Breach.

If Executive breaches or threatens to breach any of the provisions of this Agreement, the Company shall have the following rights and remedies, in addition to any others, each of which shall be independent of the other and severally enforceable:

- 9.1 The right to an injunction restraining such breach or threatened breach and to have the provisions of this Agreement specifically enforced by a court of competent jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Company and that money damages will not provide an adequate remedy, and that no bond or other security shall be required in obtaining such equitable relief, provided however, that if the posting of a bond is required by law for injunctive relief to issue then a bond of \$1,000 shall be deemed a reasonable bond; and
- 9.2 The right and remedy to require Executive to account for and repay to the Company the severance described in Section 4.3 above, if any.
- 9.3 In accordance with the terms of the Omnibus Plan, the right to cancel any of the Executive's outstanding awards or provide for forfeiture and repayment to the Company on any gain realized on the vesting or exercise of any awards previously granted to Executive.
- 9.4 **Survival.** The post-employment restrictions provided for in this Agreement shall survive the termination of Executive's employment with the Company regardless of the cause of the termination. All of the restrictive covenants in this Agreement shall be construed as independent agreements; and, the existence of any claim or cause of action against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of Executive's obligations under this Agreement. If a court determines that a restriction provided for herein cannot be enforced as written due to over breadth (such as time, scope of activity, or geography) within the relevant jurisdiction, the court will (for purposes of that jurisdiction) enforce the restrictions to such lesser extent as is allowed by law and/or reform the restriction where such is necessary to make it enforceable to protect the Company's legitimate business interests. If, despite the foregoing, any provision contained in this Agreement is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision that was determined to be void, illegal, or unenforceable had not been contained herein. Any waiver by the Company of a breach of any provision of this Agreement shall not operate or be construed as waiver of any subsequent breach hereof.

10. Arbitration.

Any dispute, controversy, or claim arising out of or related to the Executive's employment by the Company, or termination of employment, including but not limited to claims arising under or related to this Agreement or any breach of this Agreement, and any alleged violation of federal, state, or local statute, regulation, common law, or public policy, shall be submitted to and decided by binding arbitration in accordance with the Alternative Dispute Resolution & Mutual Arbitration Agreement between the Parties (the "Arbitration Agreement"). The Arbitration Agreement is incorporated herein by reference.

11. Governing Law, Jurisdiction, and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Texas without regard to conflicts of law principles.

12. Entire Agreement. Unless specifically provided herein, this Agreement, together with the Arbitration Agreement and any confidentiality agreement between the Executive and the Company, contains all of the understandings and representations between the Executive and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter.

13. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Executive and by the Chief Executive Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

14. Severability. Should any provisions of this Agreement be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth herein.

15. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph.

16. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

17. Section 409A.

17.1 General Compliance.

This Agreement is intended to comply with Section 409A or an exemption thereunder and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any nonqualified deferred compensation payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made

upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A, and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

Specified Employees. Notwithstanding any other provision of this Agreement, if any payment or benefit provided to the Executive in connection with his termination of employment is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A and the Executive is determined to be a "specified employee" as defined in Section 409A(a)(2)(b)(i), then such payment or benefit shall not be paid until the first payroll date to occur following the six-month anniversary of the date of the Executive's termination or, if earlier, on the Executive's death (the "**Specified Employee Payment Date**"). The aggregate of any payments that would otherwise have been paid before the Specified Employee Payment Date [and interest on such amounts calculated based on the applicable federal rate published by the Internal Revenue Service for the month in which the Executive's separation from service occurs] shall be paid to the Executive in a lump sum on the Specified Employee Payment Date and thereafter, any remaining payments shall be paid without delay in accordance with their original schedule.

17.2 Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following:

- (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year;
- (b) any reimbursement of an eligible expense shall be paid to the Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and
- (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

18. **Successors and Assigns.** This Agreement is personal to the Executive and shall not be assigned by the Executive. Any purported assignment by the Executive shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

19. **Notice.** Notices and all other communications provided for in this Agreement shall be given in writing by personal delivery, electronic delivery, or by registered mail to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

<p>If to the Company:</p> <p>TaskUs Holdings, Inc. c/o Chief Executive Officer 1650 New Independence Drive New Braunfels, Texas 78132 bryce@taskus.com</p>	<p>If to the Executive:</p> <p>Balaji@taskus.com</p>
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20. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state, and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.
21. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.
22. Acknowledgement of Full Understanding. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EXECUTIVE ACKNOWLEDGES AND AGREES THAT HE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS CHOICE BEFORE SIGNING THIS AGREEMENT.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

TaskUs Holdings, Inc.

By _____

Name: Bryce Maddock

Title: Chief Executive Officer

EXECUTIVE

Signature: _____

Balaji Sekar

**RESTRICTED STOCK UNIT GRANT NOTICE
UNDER THE
TASKUS, INC.
2021 OMNIBUS INCENTIVE PLAN
TIME-BASED VESTING AWARD**

TaskUs, Inc., a Delaware corporation (the “Company”), pursuant to its 2021 Omnibus Incentive Plan (as it may be amended and/or restated from time to time, the “Plan”), hereby grants to the Participant the number of Restricted Stock Units set forth below. The Restricted Stock Units are subject to all of the terms and conditions as set forth herein, in the Restricted Stock Unit Agreement (attached hereto or previously provided to the Participant in connection with a prior grant), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: [Insert Participant Name]

Date of Grant: [•]

Vesting Reference Date: [•]

Number of Restricted Stock Units: [•]

Vesting Schedule: Provided the Participant has not undergone a Termination at the time of the applicable vesting date (or event):

- [•] of the Restricted Stock Units (rounded down to the nearest whole share) will vest on the date that is one year following the Vesting Reference Date;
- an additional [•] of the Restricted Stock Units (rounded down to the nearest whole share) will vest on each date that is two years after the Vesting Reference Date;
- an additional [•] of the Restricted Stock Units will vest on a date that is three years after the Vesting Reference Date; and
- the remaining [•] of the Restricted Stock Units will vest on a date that is four years after the Vesting Reference Date.

Notwithstanding the foregoing, (i) if the Participant undergoes a Termination by the Service Recipient without Cause, by the Participant for Good Reason, or due to death or Disability, then upon such Termination the Participant shall vest in respect of all of the Restricted Stock Units that are scheduled to vest immediately following such Termination that have not theretofore vested; *provided*, that in the event of such Termination, any Common Shares deliverable in settlement of vested Restricted Share Units shall be delivered on the date such Restricted Share Units would have otherwise

vested in accordance with this Grant Notice and (ii) the Restricted Stock Units shall fully vest if either (A) the Restricted Stock Units would not otherwise be continued, converted, assumed, or replaced by the Company, a member of the Company Group or a successor entity thereto; or (B) if the Participant undergoes a Termination by the Service Recipient without Cause, by such Participant for Good Reason, or due to death or Disability at any time following a Change in Control in which the Restricted Stock Units are continued, converted, assumed, or replaced by the Company, a member of the Company Group or a successor entity thereto.

For the avoidance of doubt, no Termination shall occur unless the Participant is no longer providing any services (whether as an employee, director, consultant or otherwise) to any member of the Company Group.

Certain Definitions:

“Good Reason” shall be deemed to exist upon the occurrence of (i) a material reduction in the Participant’s total target cash compensation or (ii) a material diminution in the Participant’s position, function, responsibility, or reporting level, in each case, without the Participants prior written consent; provided, that none of the foregoing events shall constitute Good Reason unless the Company fails to cure such event within 30 days after receipt from the Participant of written notice of the event which constitutes Good Reason; provided, further, that “Good Reason” shall cease to exist for an event on the 60th day following the later of its occurrence or the Participant’s knowledge thereof, unless the Participant has given the Company written notice thereof prior to such date.

* * *

By:
Title:

[Signature Page to Restricted Stock Unit Grant Notice]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF RESTRICTED STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS RESTRICTED STOCK UNIT GRANT NOTICE, THE RESTRICTED STOCK UNIT AGREEMENT AND THE PLAN.

PARTICIPANT¹

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page to Restricted Stock Unit Grant Notice]

**TIME-BASED RESTRICTED STOCK UNIT AGREEMENT
UNDER THE
TASKUS, INC.
2021 OMNIBUS INCENTIVE PLAN**

Pursuant to the Restricted Stock Unit Grant Notice (the “**Grant Notice**”) delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Restricted Stock Unit Agreement (this “**Restricted Stock Unit Agreement**”) and the TaskUs, Inc. 2021 Omnibus Incentive Plan, as it may be amended and restated from time to time (the “**Plan**”), TaskUs, Inc., a Delaware corporation (the “**Company**”), and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. **Grant of Restricted Stock Units.** Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Restricted Stock Units provided in the Grant Notice (with each Restricted Stock Unit representing an unfunded, unsecured right to receive one share of Class A Common Stock). The Company may make one or more additional grants of Restricted Stock Units to the Participant under this Restricted Stock Unit Agreement by providing the Participant with a new grant notice, which may also include any terms and conditions differing from this Restricted Stock Unit Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Restricted Stock Units hereunder and makes no implied promise to grant additional Restricted Stock Units.

2. **Vesting.** Subject to the conditions contained herein and in the Plan, the Restricted Stock Units shall vest as provided in the Grant Notice.

3. **Settlement of Restricted Stock Units.** Subject to any election by the Committee pursuant to Section 9(d)(ii) of the Plan, the Company will deliver to the Participant, without charge, as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, one share of Class A Common Stock for each Restricted Stock Unit (as adjusted under the Plan, as applicable) which becomes vested hereunder and such vested Restricted Stock Unit shall be cancelled upon such delivery. The Company shall either (a) deliver, or cause to be delivered, to the Participant a certificate or certificates therefor, registered in the Participant’s name or (b) cause such shares of Class A Common Stock to be credited to the Participant’s account at the third party plan administrator. Notwithstanding anything in this Restricted Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any shares of Class A Common Stock as contemplated by this Restricted Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Company’s shares of Class A Common Stock are listed for trading.

4. **Treatment of Restricted Stock Units upon Termination.** The provisions of Section 9(c)(ii) of the Plan are incorporated herein by reference and made a part hereof, subject to the Vesting Schedule as provided in the Grant Notice (and for the avoidance of doubt, in the event of any conflict of the Grant Notice and Section 9(c)(ii) of the Plan, the provisions of the Grant Notice will prevail).

5. **Company; Participant.**

(a) The term “Company” as used in this Restricted Stock Unit Agreement with reference to employment or service shall include the applicable Service Recipient.

(b) Whenever the word “Participant” is used in any provision of this Restricted Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Restricted Stock Units may be transferred in accordance with Section 13(b) of the Plan, the word “Participant” shall be deemed to include such person or persons.

6. **Non-Transferability.** The Restricted Stock Units are not transferable by the Participant except to Permitted Transferees in accordance with Section 13(b) of the Plan. Except as otherwise provided herein, no assignment or transfer of the Restricted Stock Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Restricted Stock Units shall terminate and become of no further effect.

7. **Rights as Stockholder.** Subject to any payments to be provided to the Participant in accordance with the Grant Notice and Section 13(c)(iii) of the Plan, the Participant or a Permitted Transferee shall have no rights as a stockholder with respect to any share of Class A Common Stock underlying a Restricted Stock Unit unless and until the Participant shall have become the holder of record or the beneficial owner of such Class A Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Class A Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

8. **Tax Withholding.** The provisions of Section 13(d) of the Plan are incorporated herein by reference and made a part hereof. The Participant shall satisfy such Participant's withholding liability, if any, referred to in Section 13(d) of the Plan by having the Company withhold from the number of shares of Class A Common Stock otherwise deliverable pursuant to the settlement of the Restricted Stock Units, a number of shares with a Fair Market Value, on the date that the Restricted Stock Units are settled, equal to such withholding liability; *provided*, that the number of such shares of Class A Common Stock may not have a Fair Market Value greater than the minimum required statutory withholding liability unless determined by the Committee not to result in adverse accounting consequences.

9. **Notice.** Every notice or other communication relating to this Restricted Stock Unit Agreement between the Company and the Participant shall be in writing, which may include by electronic mail, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; *provided*, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's VP Legal, Corporate Secretary or its designee, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

10. **No Right to Continued Service.** This Restricted Stock Unit Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient or any other member of the Company Group.

11. **Binding Effect.** This Restricted Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

12. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Restricted Stock Unit

Agreement shall be valid only if made in writing and signed by the parties hereto; *provided, however*, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

13. **Clawback/Forfeiture.** This Restricted Stock Unit Agreement shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or the Committee and as in effect from time to time; and (ii) Applicable Law. In addition, if the Participant receives any amount in excess of what the Participant should have received under the terms of this Restricted Stock Unit Agreement for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company.

14. **Detrimental Activity.** Notwithstanding anything to the contrary contained herein or in the Plan, if the Participant has engaged in or engages in any Detrimental Activity, as determined by the Committee, then the Committee may, in its sole discretion, take actions permitted under the Plan, including, but not limited to: (i) cancelling any and all Restricted Stock Unit, or (ii) requiring that the Participant forfeit any gain realized on the settlement of the Restricted Stock Unit or the disposition of any Class A Common Stock received upon settlement of the Restricted Stock Units, and repay such gain to the Company.

15. **Right to Offset.** The provisions of Section 13(x) of the Plan are incorporated herein by reference and made a part hereof.

15. **Governing Law.** This Restricted Stock Unit Agreement 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. Notwithstanding anything contained in this Restricted Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Restricted Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Delaware.

16. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Restricted Stock Unit Agreement (including the Grant Notice), the Plan shall govern and control.

17. **Section 409A.** It is intended that the Restricted Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder and shall be interpreted as such.

18. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Restricted Stock Unit and on any shares of Class A Common Stock acquired under the Plan, to the extent that the Company, in its sole discretion, determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

19. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

20. **Entire Agreement.** This Restricted Stock Unit Agreement (including, without limitation, all exhibits attached hereto), the Grant Notice and the Plan constitute the entire agreement of the parties hereto in respect of the subject matter contained herein and supersede all prior agreements and understandings of the parties, oral and written, with respect to such subject matter.

**OPTION GRANT NOTICE
UNDER THE
TASKUS, INC.
2021 OMNIBUS INCENTIVE PLAN**

TaskUs, Inc., a Delaware corporation (the "Company"), pursuant to its 2021 Omnibus Incentive Plan (as it may be amended and/or restated from time to time, the "Plan"), hereby grants to the Participant the number of Options (each Option representing the right to purchase one share of Class A Common Stock) set forth below, at an Exercise Price per share as set forth below. The Options are subject to all of the terms and conditions as set forth herein, in the Option Agreement (attached hereto or previously provided to the Participant in connection with a prior grant), and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: [Insert Participant Name]

Date of Grant: [•]

Vesting Reference Date: [•]

Number of Options: [Insert Number of Options Granted]

Exercise Price: \$[Insert Exercise Price]

Option Period Expiration Date: 10th anniversary of Grant Date

Type of Option: Non-Qualified Stock Option

Number of Options: [Total Insert No. of Options]

Vesting Schedule: Provided the Participant has not undergone a Termination at the time of the applicable vesting date (or event):

- [•] of the Options (rounded down to the nearest whole share) will vest on the date that is one year following the Vesting Reference Date; and
- An additional [•] of the Options (rounded down to the nearest whole share) will vest on the date that is two years after the Vesting Reference Date;
- an additional [•] of the Options will vest on the date that is three years after the Vesting Reference Date; and
- the remaining [•] of the Options shall vest on the fourth anniversary of the Vesting Reference Date.

Notwithstanding the foregoing, (i) if the Participant undergoes a Termination by the Service Recipient without Cause by the Participant for Good Reason, or due to death or Disability, then upon such Termination, then the Participant shall vest in respect of the

next immediate four tranches of the Options that are scheduled to vest immediately following such Termination and become exercisable; *provided*, that any Options which vest as a result of such Termination may only be exercised during the 90-day period following the date on which such Options would have otherwise vested in accordance with this Grant Notice and (ii) the Options shall fully vest and become exercisable if either (A) the Options would not otherwise be continued, converted, assumed, or replaced by the Company, a member of the Company Group or a successor entity thereto; or (B) if the Participant undergoes a Termination by the Service Recipient without Cause, by such Participant for Good Reason, or due to death or Disability at any time following a Change in Control in which the Options are continued, converted, assumed, or replaced by the Company, a member of the Company Group or a successor entity thereto.

Certain Definitions:

“Good Reason” shall be deemed to exist upon the occurrence of (i) a material reduction in the Participant’s total target cash compensation or (ii) a material diminution in the Participant’s position, function, responsibility, or reporting level, in each case, without the Participants prior written consent; provided, that none of the foregoing events shall constitute Good Reason unless the Company fails to cure such event within 30 days after receipt from the Participant of written notice of the event which constitutes Good Reason; provided, further, that “Good Reason” shall cease to exist for an event on the 60th day following the later of its occurrence or the Participant’s knowledge thereof, unless the Participant has given the Company written notice thereof prior to such date.

“Termination” shall mean a termination of Participant’s employment with the Service Recipient for any reason (including death or Disability), without regard to whether Participant continues to provide services to the Service Recipient in a non-employee capacity.

* * *

By: [•]
Title: [•]

[Signature Page to Option Grant Notice]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS OPTION GRANT NOTICE, THE OPTION AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF OPTIONS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS OPTION GRANT NOTICE, THE OPTION AGREEMENT AND THE PLAN.

PARTICIPANT¹

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page to Option Grant Notice]

**OPTION AGREEMENT
UNDER THE
TASKUS, INC.
2021 OMNIBUS INCENTIVE PLAN**

Pursuant to the Option Grant Notice (the “Grant Notice”) delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Option Agreement (this “Option Agreement”) and the TaskUs, Inc. 2021 Omnibus Incentive Plan, as it may be amended and restated from time to time (the “Plan”), TaskUs, Inc., a Delaware corporation (the “Company”), and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. **Grant of Option.** Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of Options provided in the Grant Notice (with each Option representing the right to purchase one share of Class A Common Stock), at an Exercise Price per share as provided in the Grant Notice. The Company may make one or more additional grants of Options to the Participant under this Option Agreement by providing the Participant with a new grant notice, which may also include any terms and conditions differing from this Option Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Options hereunder and makes no implied promise to grant additional Options.

2. **Vesting.** Subject to the conditions contained herein and in the Plan, the Options shall vest as provided in the Grant Notice.

3. **Exercise of Options Following Termination.** The provisions of Section 7(c)(ii) of the Plan are incorporated herein by reference and made a part hereof, subject to the Vesting Schedule as provided in the Grant Notice (and for the avoidance of doubt, in the event of any conflict of the Grant Notice and Section 7(c)(ii) of the Plan, the provisions of the Grant Notice will prevail).

4. **Method of Exercising Options.** The Options may be exercised by the delivery of notice of the number of Options that are being exercised accompanied by payment in full of the Exercise Price applicable to the Options so exercised. Such notice shall be delivered either (a) in writing to the Company at its principal office or at such other address as may be established by the Committee, to the attention of the Company’s VP Legal, Corporate Secretary or its designee; or (b) to a third-party plan administrator as may be arranged for by the Company or the Committee from time to time for purposes of the administration of outstanding Options under the Plan, in the case of either (a) or (b), as communicated to the Participant by the Company from time to time. Payment of the aggregate Exercise Price may be made using any of the methods described in Section 7(d)(i) or (ii) of the Plan; provided, that the Participant shall obtain written consent from the Committee prior to the use of the methods described in Section 7(d)(ii)(A) of the Plan.

5. **Issuance of Class A Common Stock.** Following the exercise of an Option hereunder, as promptly as practical after receipt of such notification and full payment of such Exercise Price and any required income or other tax withholding amount (as provided in Section 9 hereof), the Company shall issue or transfer, or cause such issue or transfer, to the Participant the number of shares of Class A Common Stock with respect to which the Options have been so exercised, and shall either (a) deliver, or cause to be delivered, to the Participant, a certificate or certificates therefor, registered in the Participant’s name or (b) cause such shares of Class A Common Stock to be credited to the Participant’s account at the third-party plan administrator.

6. **Company; Participant.**

(a) The term “Company” as used in this Option Agreement with reference to employment or service shall include the applicable Service Recipient.

(b) Whenever the word “Participant” is used in any provision of this Option Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Options may be transferred in accordance with Section 13(b) of the Plan, the word “Participant” shall be deemed to include such person or persons.

7. **Non-Transferability.** The Options are not transferable by the Participant except to Permitted Transferees in accordance with Section 13(b) of the Plan. Except as otherwise provided herein, no assignment or transfer of the Options, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Options shall terminate and become of no further effect.

8. **Rights as Stockholder.** The Participant or a Permitted Transferee of the Options shall have no rights as a stockholder with respect to any share of Class A Common Stock covered by an Option unless and until the Participant shall have become the holder of record or the beneficial owner of such share of Class A Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Class A Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

9. **Tax Withholding.** The provisions of Section 13(d) of the Plan are incorporated herein by reference and made a part hereof. The Participant shall satisfy such Participant’s withholding liability, if any, referred to in Section 13(d) of the Plan by having the Company withhold from the number of shares of Class A Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award a number of shares of Class A Common Stock with a Fair Market Value, on the date that the shares of Class A Common Stock are issued or delivered, equal to such withholding liability; provided, that the number of such shares of Class A Common Stock may not have a Fair Market Value greater than the minimum required statutory withholding liability unless determined by the Committee not to result in adverse accounting consequences.

10. **Notice.** Every notice or other communication relating to this Option Agreement between the Company and the Participant shall be in writing, which may include by electronic mail, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company’s VP Legal, Corporate Secretary or its designee, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant’s last known address, as reflected in the Company’s records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

11. **No Right to Continued Service.** This Option Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient or any other member of the Company Group.

12. **Binding Effect.** This Option Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

13. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Option Agreement shall be valid only if made in writing and signed by the parties hereto; provided, however, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

14. **Clawback/Repayment.** This Option Agreement shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or the Committee and as in effect from time to time; and (ii) Applicable Law. In addition, if the Participant receives any amount in excess of what the Participant should have received under the terms of this Option Agreement for any reason (including, without limitation, by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company.

15. **Detrimental Activity.** Notwithstanding anything to the contrary contained herein or in the Plan, if the Participant has engaged in or engages in any Detrimental Activity, as determined by the Committee, then the Committee may, in its sole discretion, take actions permitted under the Plan, including, but not limited to: (i) cancelling any and all Option, or (ii) requiring that the Participant forfeit any gain realized on the exercise of the Options or the disposition of any Class A Common Stock received upon exercise of the Options, and repay such gain to the Company.

16. **Right to Offset.** The provisions of Section 13(x) of the Plan are incorporated herein by reference and made a part hereof.

17. **Governing Law.** This Option Agreement 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. Notwithstanding anything contained in this Option Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Option Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Delaware.

18. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Option Agreement (including the Grant Notice), the Plan shall govern and control.

19. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Option and on any Class A Common Stock acquired under the Plan, to the extent that the Company, in its sole discretion, determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

21. **Entire Agreement.** This Option Agreement (including, without limitation, all exhibits attached hereto), the Grant Notice and the Plan constitute the entire agreement of the parties hereto in respect of the subject matter contained herein and supersede all prior agreements and understandings of the parties, oral and written, with respect to such subject matter.

**PERFORMANCE STOCK UNIT GRANT NOTICE
UNDER THE
TASKUS, INC.
2021 OMNIBUS INCENTIVE PLAN
PERFORMANCE-BASED VESTING AWARD**

TaskUs, Inc., a Delaware corporation (the "Company"), pursuant to its 2021 Omnibus Incentive Plan (as it may be amended and/or restated from time to time, the "Plan"), hereby grants to the Participant the number of performance-based Restricted Stock Units ("Performance Stock Units") equal to the "Number of Performance Stock Units" set forth below. The Performance Stock Units are subject to all of the terms and conditions as set forth herein, in the Performance Stock Unit Agreement (attached hereto or previously provided to the Participant in connection with a prior grant), in Appendix A attached hereto, and in the Plan, all of which are incorporated herein in their entirety. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Plan.

Participant: [Insert Participant Name]

Date of Grant: [•], 2021

Performance Period: The Performance Period applicable to the Performance Stock Units is set forth on Appendix A.

Number of Performance Stock Units: [•]

Vesting Schedule: The Performance Stock Units shall vest in accordance with Appendix A.

* * *

TASKUS, INC.

By: Jeffrey Chugg
Title: VP, Legal & Corporate Secretary

[Signature Page to Performance Stock Unit Grant Notice]

THE UNDERSIGNED PARTICIPANT ACKNOWLEDGES RECEIPT OF THIS PERFORMANCE STOCK UNIT GRANT NOTICE, THE PERFORMANCE STOCK UNIT AGREEMENT AND THE PLAN, AND, AS AN EXPRESS CONDITION TO THE GRANT OF PERFORMANCE STOCK UNITS HEREUNDER, AGREES TO BE BOUND BY THE TERMS OF THIS PERFORMANCE STOCK UNIT GRANT NOTICE, THE PERFORMANCE STOCK UNIT AGREEMENT AND THE PLAN.

PARTICIPANT¹

¹ To the extent that the Company has established, either itself or through a third-party plan administrator, the ability to accept this award electronically, such acceptance shall constitute the Participant's signature hereto.

[Signature Page to Performance Stock Unit Grant Notice]

**PERFORMANCE STOCK UNIT AGREEMENT
UNDER THE
TASKUS, INC.
2021 OMNIBUS INCENTIVE PLAN
PERFORMANCE-BASED VESTING AWARD**

Pursuant to the Performance Stock Unit Grant Notice (the “**Grant Notice**”) delivered to the Participant (as defined in the Grant Notice), and subject to the terms of this Performance Stock Unit Agreement (this “**Performance Stock Unit Agreement**”) and the TaskUs, Inc. 2021 Omnibus Incentive Plan, as it may be amended and restated from time to time (the “**Plan**”), TaskUs, Inc., a Delaware corporation (the “**Company**”), and the Participant agree as follows. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Plan.

1. **Grant of Performance Stock Units.** Subject to the terms and conditions set forth herein and in the Plan, the Company hereby grants to the Participant the number of performance-based Restricted Stock Units (“Performance Stock Units”) provided in the Grant Notice (with each Performance Stock Unit representing an unfunded, unsecured right to receive one share of Class A Common Stock). The Company may make one or more additional grants of Performance Stock Units to the Participant under this Performance Stock Unit Agreement by providing the Participant with a new grant notice, which may also include any terms and conditions differing from this Performance Stock Unit Agreement to the extent provided therein. The Company reserves all rights with respect to the granting of additional Performance Stock Units hereunder and makes no implied promise to grant additional Performance Stock Units.

2. **Vesting.** Subject to the conditions contained herein and in the Plan, the Performance Stock Units shall vest as provided in the Grant Notice and Appendix A, attached hereto.

3. **Settlement of Performance Stock Units.** Subject to any election by the Committee pursuant to Section 9(d)(ii) of the Plan, the Company will deliver to the Participant, without charge, as soon as reasonably practicable (and, in any event, within two and one-half months) following the applicable vesting date, one share of Class A Common Stock for each Performance Stock Unit (as adjusted under the Plan, as applicable) which becomes vested hereunder and such vested Performance Stock Unit shall be cancelled upon such delivery. The Company shall either (a) deliver, or cause to be delivered, to the Participant a certificate or certificates therefor, registered in the Participant’s name or (b) cause such shares of Class A Common Stock to be credited to the Participant’s account at the third party plan administrator. Notwithstanding anything in this Performance Stock Unit Agreement to the contrary, the Company shall have no obligation to issue or transfer any shares of Class A Common Stock as contemplated by this Performance Stock Unit Agreement unless and until such issuance or transfer complies with all relevant provisions of law and the requirements of any stock exchange on which the Company’s shares of Class A Common Stock are listed for trading.

4. **Treatment of Performance Stock Units upon Termination.** The provisions of Section 9(c)(ii) of the Plan are incorporated herein by reference and made a part hereof.

5. **Company; Participant.**

(a) The term “Company” as used in this Performance Stock Unit Agreement with reference to employment or service shall include the applicable Service Recipient.

(b) Whenever the word “Participant” is used in any provision of this Performance Stock Unit Agreement under circumstances where the provision should logically be construed to apply to the executors, the administrators, or the person or persons to whom the Performance Stock Units may be transferred in accordance with Section 13(b) of the Plan, the word “Participant” shall be deemed to include such person or persons.

6. **Non-Transferability.** The Performance Stock Units are not transferable by the Participant except to Permitted Transferees in accordance with Section 13(b) of the Plan. Except as otherwise provided herein, no assignment or transfer of the Performance Stock Units, or of the rights represented thereby, whether voluntary or involuntary, by operation of law or otherwise, shall vest in the assignee or transferee any interest or right herein whatsoever, but immediately upon such assignment or transfer the Performance Stock Units shall terminate and become of no further effect.

7. **Rights as Stockholder.** Subject to any payments to be provided to the Participant in accordance with the Grant Notice and Section 13(c)(iii) of the Plan, the Participant or a Permitted Transferee shall have no rights as a stockholder with respect to any share of Class A Common Stock underlying a Performance Stock Unit unless and until the Participant shall have become the holder of record or the beneficial owner of such Class A Common Stock, and no adjustment shall be made for dividends or distributions or other rights in respect of such share of Class A Common Stock for which the record date is prior to the date upon which the Participant shall become the holder of record or the beneficial owner thereof.

8. **Tax Withholding.** The provisions of Section 13(d) of the Plan are incorporated herein by reference and made a part hereof. The Participant shall satisfy such Participant's withholding liability, if any, referred to in Section 13(d) of the Plan by having the Company withhold from the number of shares of Class A Common Stock otherwise deliverable pursuant to the settlement of the Performance Stock Units, a number of shares with a Fair Market Value, on the date that the Performance Stock Units are settled, equal to such withholding liability; *provided*, that the number of such shares of Class A Common Stock may not have a Fair Market Value greater than the minimum required statutory withholding liability unless determined by the Committee not to result in adverse accounting consequences.

9. **Notice.** Every notice or other communication relating to this Performance Stock Unit Agreement between the Company and the Participant shall be in writing, which may include by electronic mail, and shall be mailed to or delivered to the party for whom it is intended at such address as may from time to time be designated by such party in a notice mailed or delivered to the other party as herein provided; provided, that, unless and until some other address be so designated, all notices or communications by the Participant to the Company shall be mailed or delivered to the Company at its principal executive office, to the attention of the Company's VP Legal, Corporate Secretary or its designee, and all notices or communications by the Company to the Participant may be given to the Participant personally or may be mailed to the Participant at the Participant's last known address, as reflected in the Company's records. Notwithstanding the above, all notices and communications between the Participant and any third-party plan administrator shall be mailed, delivered, transmitted or sent in accordance with the procedures established by such third-party plan administrator and communicated to the Participant from time to time.

10. **No Right to Continued Service.** This Performance Stock Unit Agreement does not confer upon the Participant any right to continue as an employee or service provider to the Service Recipient or any other member of the Company Group.

11. **Binding Effect.** This Performance Stock Unit Agreement shall be binding upon the heirs, executors, administrators and successors of the parties hereto.

12. **Waiver and Amendments.** Except as otherwise set forth in Section 12 of the Plan, any waiver, alteration, amendment or modification of any of the terms of this Performance Stock Unit Agreement shall be valid only if made in writing and signed by the parties hereto; *provided, however*, that any such waiver, alteration, amendment or modification is consented to on the Company's behalf by the Committee. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

13. **Clawback/Forfeiture.** This Performance Stock Unit Agreement shall be subject to reduction, cancellation, forfeiture or recoupment to the extent necessary to comply with (i) any clawback, forfeiture or other similar policy adopted by the Board or the Committee and as in effect from time to time; and (ii) Applicable Law. In addition, if the Participant receives any amount in excess of what the Participant should have received under the terms of this Performance Stock Unit Agreement for any reason (including without limitation by reason of a financial restatement, mistake in calculations or other administrative error), then the Participant shall be required to repay any such excess amount to the Company.

14. **Detrimental Activity.** Notwithstanding anything to the contrary contained herein or in the Plan, if the Participant has engaged in or engages in any Detrimental Activity, as determined by the Committee, then the Committee may, in its sole discretion, take actions permitted under the Plan, including, but not limited to: (i) cancelling any and all Performance Stock Units, or (ii) requiring that the Participant forfeit any gain realized on the settlement of the Performance Stock Unit or the disposition of any Class A Common Stock received upon settlement of the Performance Stock Units, and repay such gain to the Company.

15. **Right to Offset.** The provisions of Section 13(x) of the Plan are incorporated herein by reference and made a part hereof.

15. **Governing Law.** This Performance Stock Unit Agreement 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. Notwithstanding anything contained in this Performance Stock Unit Agreement, the Grant Notice or the Plan to the contrary, if any suit or claim is instituted by the Participant or the Company relating to this Performance Stock Unit Agreement, the Grant Notice or the Plan, the Participant hereby submits to the exclusive jurisdiction of and venue in the courts of Delaware.

16. **Plan.** The terms and provisions of the Plan are incorporated herein by reference. In the event of a conflict or inconsistency between the terms and provisions of the Plan and the provisions of this Performance Stock Unit Agreement (including the Grant Notice and Appendix A), the Plan shall govern and control.

17. **Section 409A.** It is intended that the Performance Stock Units granted hereunder shall be exempt from Section 409A of the Code pursuant to the "short-term deferral" rule applicable to such section, as set forth in the regulations or other guidance published by the Internal Revenue Service thereunder and shall be interpreted as such.

19. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Participant's participation in the Plan, on the Performance Stock Units and on any shares of Class A Common Stock acquired under the Plan, to the extent that the Company, in its sole discretion, determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

20. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

21. **Entire Agreement.** This Performance Stock Unit Agreement (including, without limitation, all exhibits and appendices attached hereto), the Grant Notice and the Plan constitute the entire agreement of the parties hereto in respect of the subject matter contained herein and supersede all prior agreements and understandings of the parties, oral and written, with respect to such subject matter.

Appendix A

Provided that the Participant has not undergone a Termination as of the Determination Date (as defined below) and subject to the other provisions of this Appendix A, the Performance Stock Units will become vested based on achievement of the Performance Condition with respect to the Performance Period.

1. Performance Period. With respect to each of the PSUs, the applicable Performance Period shall be the Date of Grant to the 4th anniversary of the Date of Grant.

2. Performance Condition. The number of Vesting Eligible PSUs that satisfy the Performance Condition during the Performance Period shall be based on the achievement of the specified Market Cap CAGR levels set forth below:

<u>Performance Condition</u>	<u>Level of Achievement</u>	
	<u>First</u>	<u>Second</u>
Market Cap CAGR	[•]	[•]

3. Calculation of Number of Vested Performance Stock Units. As soon as practicable following the completion of the Performance Period, the Committee shall determine, in its sole discretion, the achievement with respect to the Performance Condition and calculate the “Percentage of Vesting Eligible PSUs Earned” based on the table set forth below based on the “Level of Achievement” specified above during the Performance Period.

The Performance Condition shall not be achieved and no Performance Stock Unit shall be vested until the Committee certifies in writing the extent to which the Performance Condition has been met (each such date, the “Determination Date”). All determinations with respect to whether and the extent to which the Performance Condition has been achieved shall be made by the Committee in its sole discretion.

In the event that actual performance in respect of the Performance Period does not meet the “First” level of achievement with respect to the Performance Condition as set forth in the table above, the “Percentage of Vesting Eligible PSUs Earned” shall be 0%. In the event that actual performance in respect of the Performance Period exceeds the “Second” level of achievement with respect to the Performance Condition as set forth in the table above, the “Percentage of Vesting Eligible PSUs Earned” shall be 100%.

<u>Level of Achievement</u>	<u>Percentage of Vesting Eligible PSUs Earned</u>
Below First	0%
First	50%
Second	100%
Above Second	100%

Provided that the Participant has not undergone a Termination, any Performance Stock Units that become earned Performance Stock Units in accordance with this Appendix A shall become vested on the Determination Date for the Performance Period, and shall settle in accordance with Section 3 of the Performance Stock Unit Agreement.

Any Performance Stock Units which do not become vested based on actual performance during the Performance Period shall be forfeited for no consideration therefor as of the Determination Date.

4. Treatment of Performance Stock Units on a Change in Control. Notwithstanding the foregoing or anything in this Appendix A to the contrary:

- In the event of a Change in Control prior to the Participant's Termination:
 - In the event that the Performance Period has been completed as of such Change in Control but which the Determination Date has not yet occurred in respect of such completed Performance Period, then the Committee shall determine the "Percentage of Vesting Eligible PSUs Earned" based on the level of achievement specified above based on actual performance for the Performance Period and vest as of the date of the Change in Control; and
 - The Committee shall determine, in its sole discretion, the achievement with respect to the Performance Condition and calculate the "Percentage of Vesting Eligible PSUs Earned" based on the level of achievement specified above based on actual performance as of the date of the Change in Control (the "CIC Determination Date"). With respect to any Performance Stock Units for which:
 - The Performance Period has been completed and the Determination Date in respect of such Performance Period has occurred as of such Change in Control but which such Performance Stock Units remain outstanding and eligible to vest in connection with the Performance Period, to the extent that any such Performance Stock Units vest on the CIC Determination Date, such Performance Stock Units shall vest upon the Change in Control; and
 - The Performance Period has not been completed as of the Change in Control, but to the extent that the Performance Stock Units satisfy the Performance Condition in connection with the CIC Determination Date, such Performance Stock Units shall instead vest on a quarterly basis following the Change in Control over the lesser of (i) the time remaining in the Performance Period or (ii) two years; *provided*, in each case, that the Participant has not undergone a Termination on or prior to the applicable quarterly vesting date(s).
 - Any Performance Stock Units which do not (i) vest in connection with the CIC Determination Date or (ii) become eligible to vest following the Change in Control in accordance with the above, shall be forfeited upon the Change in Control for no consideration.

5. Treatment of Performance Stock Units on the Participant's Termination.

- In the event the Participant undergoes a Termination by the Service Recipient prior to the fourth anniversary of the Date of Grant, the Performance Stock Units will not be eligible to become vested Performance Stock Units on the Termination Determination Date and shall be forfeited for no consideration.

- Any of the Performance Stock Units that are not eligible to become vested Performance Stock Units on the Termination Determination Date or that do not vest on the Termination Determination Date shall be forfeited for no consideration.

6. Defined Terms.

“Beginning Market Cap” shall mean \$[•].

“Ending Market Cap” shall mean the Market Cap calculated as of the last day of the Performance Period (or, if applicable, as of a Change in Control).

“Market Cap” shall mean, as of the relevant determination date, (x) the total number of outstanding shares of Class A Common Stock *multiplied* by (y) the average closing stock price over the 20 trading days ending on the relevant determination date; *provided*, that, in connection with a Change in Control, Market Cap shall be determined using the price per share of the Class A Common Stock implied by the Change in Control.

“Market Cap CAGR” shall mean compounded annual growth rate with respect to Market Cap, which shall be expressed as a percentage (rounded to the nearest tenth of a percent) and calculated for the Performance Period using the following formula:

$$\text{Market Cap CAGR} = \left(\frac{\text{Ending Market Cap}}{\text{Beginning Market Cap}} \right)^{1/n} - 1.0$$

Where “n” equals the period of time (in years) elapsed from the Date of Grant to the last day of the Performance Period (or, if applicable, to a Change in Control).

“Termination” shall mean the termination of Participant’s employment with the Company, regardless of reason.

“Termination Determination Date” shall mean the Committee’s certification in writing the extent to which the Performance Condition has been met in respect of the Termination Performance Period.

“Termination Performance Period” shall mean the Performance Period beginning on the Date of Grant and ending on the first anniversary of the date of Termination.

“Termination Vesting-Eligible PSUs” shall mean the number of Performance Stock Units that will be deemed to have been Vesting Eligible Performance Stock Units (in lieu of the schedule set forth under “Performance Period,” above) as of and prior to the Termination.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Bryce Maddock, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2021 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 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) [Reserved];
 - (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 11, 2021

/s/ Bryce Maddock
Bryce Maddock
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Balaji Sekar, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the three months ended June 30, 2021 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 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) [Reserved];
 - (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 11, 2021

/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 three months ended June 30, 2021 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 11, 2021

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

**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 three months ended June 30, 2021 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 11, 2021

A signed original of this certification required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request. The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.