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, 2026

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

For transition period from to

Commission File Number 001-39156

SPROUT SOCIAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**27-2404165**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

131 South Dearborn St. , Suite 700

Chicago , Illinois
60603

(Address of principal executive offices and zip code)

(866) 878-3231
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value per share	SPT	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	☒	Accelerated filer ☐
Non-accelerated filer	☐	Smaller reporting company ☐
Emerging growth company	☐	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13 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 July 31, 2026, there were 55,022,855 shares and 5,569,357 shares of the registrant’s Class A and Class B common stock, respectively, $0.0001 par value per share, outstanding.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q (“Quarterly Report”) not based on historical facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, 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. These statements include statements about Sprout Social, Inc.’s (“Sprout Social”) plans, objectives, strategies, financial performance and outlook, trends, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “explore,” “future,” “intend,” “long-term model,” “may,” “might,” “outlook,” “plan,” “potential,” “predict,” “project,” “should,” “strategy,” “target,” “will,” “would,” or the negative of these terms and similar expressions intended to identify forward-looking statements, as they relate to Sprout Social, our business and our management. Forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by Sprout Social and our management based on their knowledge and understanding of the business and industry, are inherently uncertain. These forward-looking statements should not be read as a guarantee of future performance or results, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Quarterly Report. Such risks, uncertainties and other important factors include, among others, the risks, uncertainties and factors set forth under Part II—Item IA. Risk Factors” and “Part I—Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and in our most recent Annual Report on Form 10-K under Part I—Item 1A. “Risk Factors” and the risks and uncertainties related to the following:

- our ability to attract, retain, and grow customers;
- our future financial performance, including our revenue, cost of revenue, gross profit, operating expenses, ability to generate positive cash flow, and ability to achieve and maintain profitability;
- the timing of revenue recognition and the impact of our subscription-based business model on our operating results;
- our ability to access third-party APIs and data on favorable terms or at all;
- our ability to increase spending of existing customers;
- the evolution of the social media industry, including technological advances, utilization of artificial intelligence (AI) and adapting to new regulations and use cases;
- the introduction of AI technologies into our products, which may lead to increased governmental or regulatory scrutiny;
- our ability to innovate and provide a superior customer experience;
- our ability to successfully enter new markets, manage our international expansion and comply with any applicable laws and regulations;
- our ability to successfully adapt our sales, success, and compliance efforts to the demands of sophisticated enterprise customers;
- our ability to maintain and enhance our brand;
- our estimates of the size of our market opportunities;

- the effects of increased competition from our market competitors or new entrants to the market;
- our ability to securely maintain customer and other third-party data;
- our reliance on third-party service providers and infrastructure to operate our platform;
- our ability to comply with existing, modified or new laws and regulations applying to our business, including data privacy and security regulations;
- our ability to maintain, protect and enhance our intellectual property;
- worldwide economic conditions, including the macroeconomic impacts of fluctuations in inflation, interest rates and currency exchange rates, tariffs and trade tensions, and volatility in the capital markets and related market uncertainty, and their impact on demand for our platform and products;
- our ability to acquire, invest in, and integrate other businesses or technologies into our business or achieve the expected benefits of such acquisitions and technologies;
- our ability to successfully implement, and realize the benefits of, the workforce reduction plan approved in July 2026;
- our ability to attract and retain qualified employees and key personnel;
- our ability to manage our substantial debt in a way that does not adversely affect our business, and
- the other factors set forth under “Part II—Item IA. Risk Factors” in this Quarterly Report and in our Annual Report filed with the United States Securities and Exchange Commission (“SEC”) on Form 10-K under Part I—Item 1A, “Risk Factors.”

These factors are not necessarily all of the important factors that could cause our actual financial results, performance, achievements or prospects to differ materially from those expressed in or implied by any of our forward-looking statements. Other unknown or unpredictable factors also could harm our results. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements set forth above. Forward-looking statements speak only as of the date they are made, and we do not undertake or assume any obligation to update forward-looking statements to reflect actual results, changes in assumptions, laws or other factors affecting forward-looking information, except to the extent required by applicable laws. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements.

In addition, statements such as "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this report. While we believe such information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Sprout Social, Inc.

Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share data)

	June 30, 2026	December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	$ 119,929	$ 95,268
Accounts receivable, net of allowances of $2,341 and $2,719 at June 30, 2026 and December 31, 2025, respectively	78,075	100,996
Deferred commissions	28,956	26,995
Prepaid expenses and other assets	15,207	13,945
Total current assets	242,167	237,204
Property and equipment, net	9,982	9,864
Deferred commissions, net of current portion	56,093	57,049
Operating lease, right-of-use assets	8,972	9,810
Goodwill	167,122	167,122
Intangible assets, net	34,917	39,733
Other assets, net	2,962	2,280
Total assets	$ 522,215	$ 523,062
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 10,713	$ 10,115
Deferred revenue	193,419	205,639
Operating lease liabilities	2,799	2,664
Accrued wages and payroll related benefits	14,182	20,549
Accrued expenses and other	14,967	17,294
Total current liabilities	236,080	256,261
Revolving credit facility	32,500	40,000
Deferred revenue, net of current portion	1,169	752
Operating lease liabilities, net of current portion	10,583	12,055
Other noncurrent liabilities	13,333	10,572
Total liabilities	293,665	319,640

Sprout Social, Inc.
Condensed Consolidated Balance Sheets (Unaudited) (cont'd)
(in thousands, except share and per share data)

	June 30, 2026	December 31, 2025
Commitments and contingencies (Note 7)		
Stockholders' equity		
Class A common stock, par value $0.0001 per share; 1,000,000,000 shares authorized; 57,997,799 and 54,974,573 shares issued and outstanding, respectively, at June 30, 2026; 56,576,444 and 53,607,556 shares issued and outstanding, respectively, at December 31, 2025	5	5
Class B common stock, par value $0.0001 per share; 25,000,000 shares authorized; 5,816,301 and 5,609,357 shares issued and outstanding, respectively, at June 30, 2026; 6,156,301 and 5,949,357 shares issued and outstanding, respectively, at December 31, 2025	1	1
Additional paid-in capital	673,832	638,894
Treasury stock, at cost	(38,153)	(37,768)
Accumulated other comprehensive income	—	—
Accumulated deficit	(407,135)	(397,710)
Total stockholders' equity	228,550	203,422
Total liabilities and stockholders' equity	$ 522,215	$ 523,062

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue				
Subscription	$ 121,877	$ 111,110	$ 241,897	$ 219,790
Professional services and other	1,970	668	3,447	1,277
Total revenue	123,847	111,778	245,344	221,067
Cost of revenue				
Subscription	27,159	24,551	54,594	49,024
Professional services and other	600	383	1,156	748
Total cost of revenue	27,759	24,934	55,750	49,772
Gross profit	96,088	86,844	189,594	171,295
Operating expenses				
Research and development	26,643	24,587	53,590	47,816
Sales and marketing	47,416	48,152	95,962	95,604
General and administrative	24,698	26,420	48,557	51,392
Total operating expenses	98,757	99,159	198,109	194,812
Loss from operations	(2,669)	(12,315)	(8,515)	(23,517)
Interest expense	(618)	(409)	(1,285)	(923)
Interest income	843	946	1,594	1,841
Other expense, net	(291)	356	(454)	188
Loss before income taxes	(2,735)	(11,422)	(8,660)	(22,411)
Income tax expense	354	563	765	794
Net loss	$ (3,089)	$ (11,985)	$ (9,425)	$ (23,205)
Net loss per share attributable to common shareholders, basic and diluted	$ (0.05)	$ (0.21)	$ (0.16)	$ (0.40)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	60,242,258	58,360,966	59,990,662	58,127,231

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net loss	$ (3,089)	$ (11,985)	$ (9,425)	$ (23,205)
Other comprehensive loss:				
Net unrealized loss on available-for-sale securities, net of tax	—	(1)	—	(3)
Comprehensive loss	$ (3,089)	$ (11,986)	$ (9,425)	$ (23,208)

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
(in thousands, except share data)

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balances at March 31, 2026	60,082,739	$ 6	$ 657,261	3,214,658	$ (38,031)	$ —	$ (404,046)	$ 215,190
Stock-based compensation			15,984					15,984
Issuance of common stock from equity award settlement	409,838	—						—
Taxes paid related to net share settlement of equity awards				15,512	(122)			(122)
Issuance of common stock in connection with employee stock purchase plan	91,353	—	587					587
Net loss							(3,089)	(3,089)
Balances at June 30, 2026	60,583,930	$ 6	$ 673,832	3,230,170	$ (38,153)	$ —	$ (407,135)	$ 228,550

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balances at March 31, 2025	58,175,307	$ 5	$ 578,328	3,148,888	$ (37,422)	$ 1	$ (365,603)	$ 175,309
Stock-based compensation			20,292					20,292
Issuance of common stock from equity award settlement	586,481	—						—
Issuance of common stock in connection with employee stock purchase plan	53,105	—	944					944
Other comprehensive loss, net of tax						(1)		(1)
Net loss							(11,985)	(11,985)
Balances at June 30, 2025	58,814,893	$ 5	$ 599,564	3,148,888	$ (37,422)	$ —	$ (377,588)	$ 184,559

Sprout Social, Inc.
Condensed Consolidated Statements of Stockholders’ Equity (Unaudited)
(in thousands, except share data)

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders’ Equity
	Shares	Amount		Shares	Amount			
Balances at December 31, 2025	59,556,913	$ 6	$ 638,894	3,175,832	$ (37,768)	$ —	$ (397,710)	$ 203,422
Stock-based compensation			34,351					34,351
Issuance of common stock from equity award settlement	935,664	—						—
Taxes paid related to net share settlement of equity awards				54,338	(385)			(385)
Issuance of common stock in connection with employee stock purchase plan	91,353	—	587					587
Net loss							(9,425)	(9,425)
Balances at June 30, 2026	60,583,930	$ 6	$ 673,832	3,230,170	$ (38,153)	$ —	$ (407,135)	$ 228,550

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders’ Equity
	Shares	Amount		Shares	Amount			
Balances at December 31, 2024	57,758,378	$ 5	$ 558,391	3,148,888	$ (37,422)	$ 3	$ (354,383)	$ 166,594
Stock-based compensation			40,229					40,229
Issuance of common stock from equity award settlement	1,003,410	—						—
Issuance of common stock in connection with employee stock purchase plan	53,105	—	944					944
Other comprehensive loss, net of tax						(3)		(3)
Net loss							(23,205)	(23,205)
Balances at June 30, 2025	58,814,893	$ 5	$ 599,564	3,148,888	$ (37,422)	$ —	$ (377,588)	$ 184,559

Sprout Social, Inc.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Six Months Ended June 30,	
	2026	**2025**
Cash flows from operating activities		
Net loss	$ (9,425)	$ (23,205)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	1,839	1,989
Amortization of line of credit issuance costs	119	110
Accretion of discount on marketable securities	—	(7)
Amortization of acquired intangible assets	4,816	2,586
Amortization of deferred commissions	14,374	10,919
Amortization of right-of-use operating lease asset	838	722
Stock-based compensation expense	34,011	39,961
Provision for accounts receivable allowances	1,080	2,245
Loss on lease termination	—	1,175
Change in fair value of contingent consideration	(848)	—
Other, net	(431)	—
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	21,841	14,524
Prepaid expenses and other current assets	(2,224)	201
Deferred commissions	(15,380)	(15,095)
Accounts payable and accrued expenses	(3,787)	(3,221)
Deferred revenue	(11,803)	(7,578)
Lease liabilities	(1,336)	(2,132)
Net cash provided by operating activities	33,684	23,194
Cash flows from investing activities		
Expenditures for property and equipment	(1,720)	(2,265)
Proceeds from maturity of marketable securities	—	3,750
Net cash (used in) provided by investing activities	(1,720)	1,485
Cash flows from financing activities		
Repayments of line of credit	(7,500)	(10,000)
Payments for line of credit issuance costs	—	(486)
Proceeds from employee stock purchase plan	587	944
Employee taxes paid related to the net share settlement of stock-based awards	(385)	—
Net cash used in financing activities	(7,298)	(9,542)
Net increase in cash, cash equivalents and restricted cash	24,666	15,137
Cash, cash equivalents and restricted cash		
Beginning of period	97,203	90,418
End of period	$ 121,869	$ 105,555
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 119,929	$ 101,532
Restricted cash, included in prepaid expenses and other assets	1,940	4,023
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 121,869	$ 105,555
Supplemental disclosure of noncash investing and financing activities		
Stock-based compensation expense capitalized in internal-use software	$ 340	$ 268

See Notes to Condensed Consolidated Financial Statements.

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Sprout Social, Inc. (“Sprout Social” or the “Company”), a Delaware corporation, began operating on April 21, 2010 to design, develop and operate a web-based comprehensive social media management tool enabling companies to manage and measure their online presence. Customers access their accounts online via a web-based interface or a mobile application. Some customers also purchase the Company’s professional services, which primarily consist of consulting and training services. The Company’s fiscal year end is December 31. The Company’s customers are primarily located throughout the United States, and a portion of customers are located in foreign countries. The Company is headquartered in Chicago, Illinois.

Principles of Consolidation and Basis of Presentation

The unaudited condensed consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) and the applicable regulations of the United States Securities and Exchange Commission (“SEC”) regarding interim financial reporting. The Company has prepared the unaudited condensed consolidated financial statements on a basis consistent with the audited consolidated financial statements of the Company as of and for the year ended December 31, 2025, and these unaudited condensed consolidated financial statements include all normal recurring adjustments necessary for a fair statement of the results of the interim periods presented but are not necessarily indicative of the results of operations to be anticipated for the full year or any future period. The consolidated balance sheet as of December 31, 2025 included herein was derived from the audited consolidated financial statements as of that date but does not include all disclosures including certain disclosures required by GAAP on an annual basis. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions and balances have been eliminated in consolidation.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 27, 2026.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company bases its estimates on historical experience and on other assumptions that its management believes are reasonable under the circumstances. Actual results could differ from those estimates. The Company’s estimates and judgments include, but are not limited to, the estimated period of benefit for incremental costs of obtaining a contract with a customer, the incremental borrowing rate for operating leases, calculation of allowance for credit losses, valuation of assets and liabilities acquired as part of business combinations, useful lives of long-lived assets, stock-based compensation, income taxes, commitments and contingencies and litigation, among others. The Company is not aware of any events or circumstances that would require an update to its estimates and judgments or a revision of the carrying value of its assets or liabilities as of August 7, 2026, the date of issuance of this Quarterly Report on Form 10-Q. Actual results could differ from those estimates.

Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 1 - "Nature of Operations and Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2025 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 27, 2026. There have been no significant changes to these policies during the six months ended June 30, 2026.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, Revenue from Contracts with Customers. Under this practical expedient, an entity is allowed to assume that the current conditions as of the balance sheet date remain unchanged over the life of the asset when estimating expected credit losses for current accounts receivable and current contract assets. The Company adopted the ASU as of January 1, 2026. The adoption of the guidance did not have a material impact on the Company's consolidated financial statements and related disclosures.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. Additionally, in January 2025, the FASB issued ASU 2025-01 to clarify the effective date of ASU 2024-03. The ASU requires the disclosure of more detailed information about specified categories of expenses (purchases of inventory, employee compensation, depreciation, amortization, and depletion) included in certain expense captions presented on the face of the statement of operations. The ASU is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2026, and interim reporting periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact that this standard may have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU amends certain aspects of the accounting for and disclosure of software costs under ASC 350-40, including removing stage-based rules and replacing them with a principles-based framework to be more aligned with modern software development practices. The ASU is effective for all entities for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is permitted as of the beginning of an annual reporting period. The Company is currently evaluating the impact of this ASU on its consolidated financial statements and related disclosures.

2. Revenue Recognition

Disaggregation of Revenue

The Company provides disaggregation of revenue based on geographic region in Note 8 and based on the subscription versus professional services and other classification on the unaudited condensed consolidated statements of operations, as it believes these best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Deferred Revenue

Deferred revenue is recorded upon establishment of unconditional right to payment under non-cancellable contracts and is recognized as the revenue recognition criteria are met. The Company generally invoices customers in advance in monthly, quarterly, semi-annual and annual installments. The deferred revenue balance is influenced by several factors, including the compounding effects of renewals, invoice duration, timing and size. The amount of revenue recognized during the three months ended June 30, 2026 and 2025 that was included in deferred revenue at the beginning of each period was $90.5 million and $79.9 million, respectively. The amount of revenue recognized during the six months ended June 30, 2026 and 2025 that was included in deferred revenue at the beginning of each period was $147.9 million and $128.3 million, respectively.

As of June 30, 2026, including amounts already invoiced and amounts contracted but not yet invoiced, $400.8 million of revenue is expected to be recognized from remaining performance obligations, of which 71% is expected to be recognized in the next 12 months, and the substantial majority of the remainder in the next 13 to 36 months.

3. Operating Leases

The Company has operating lease agreements for offices in Chicago, Illinois; Seattle, Washington; Dublin, Ireland; and Kraków, Poland. The Chicago lease expires in December 2032, the Seattle lease expires in January 2031, the Dublin lease expires in June 2027, and the Kraków lease expires in December 2029. These operating leases require monthly rental payments ranging from approximately $26,000 to $142,000. Under the terms of the lease agreements, the Company is also responsible for its proportionate share of taxes and operating costs, which are treated as variable lease costs. The Company's operating leases typically contain options to extend or terminate the term of the lease. The Company currently does not include any options to extend leases in its lease terms as it is not reasonably certain to exercise them. As such, it has recorded lease obligations only through the initial optional termination dates above.

The following table provides a summary of operating lease assets and liabilities as of June 30, 2026 (in thousands):

Assets	
Operating lease right-of-use assets	$ 8,972
Liabilities	
Operating lease liabilities	2,799
Operating lease liabilities, non-current	10,583
Total operating lease liabilities	$ 13,382

The following table provides information about leases in the unaudited condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating lease expense	$ 697	$ 652	$ 1,357	$ 1,327
Variable lease expense	467	472	934	1,302

Within the unaudited condensed consolidated statements of operations, operating and variable lease expense are recorded in General and administrative expenses. Cash payments related to operating leases for the six months ended June 30, 2026 and 2025 were $2.7 million and $3.4 million, respectively. As of June 30, 2026, the weighted-average remaining lease term is 5.4 years and the weighted-average discount rate is 7.0%.

Remaining maturities of operating lease liabilities as of June 30, 2026 are as follows (in thousands):

Years ending December 31,	
2026	$ 1,800
2027	3,345
2028	2,699
2029	2,748
2030	2,508
Thereafter	2,926
Total future minimum lease payments	$ 16,026
Less: imputed interest	(2,644)
Total operating lease liabilities	$ 13,382

4. Income Taxes

The provision for income taxes for interim periods is generally determined using an estimate of the Company's annual effective tax rate, excluding jurisdictions for which no tax benefit can be recognized due to valuation allowances. The Company's effective tax rate differs from the U.S. federal statutory rate primarily due to a valuation allowance related to the Company's federal and state deferred tax assets.

The Company has historically incurred operating losses and maintains a full valuation allowance against its net deferred tax assets. For the six months ended June 30, 2026, the Company recognized an immaterial provision related to state and foreign income taxes.

The Company assesses all available positive and negative evidence to evaluate the realizability of its deferred tax assets and whether or not a valuation allowance is necessary. The Company's three-year cumulative loss position was significant negative evidence in assessing the need for a valuation allowance. The weight given to positive and negative evidence is commensurate with the extent such evidence may be objectively verified. Given the weight of objectively verifiable historical losses from operations, the Company has recorded a full valuation allowance on its domestic deferred tax assets except for those from the Company's acquisition of NewsWhip Group Holdings Limited ("NewsWhip") in 2025, which do not have a valuation allowance. Due to the Company's cost-plus intercompany transactions, no valuation allowance is recorded on the Company's foreign deferred tax assets except for its Ireland net operating loss deferred tax asset that resulted from the NewsWhip acquisition. The Company may be able to reverse the valuation allowance on its domestic deferred tax assets when sufficient positive evidence exists to support the reversal of the valuation allowance.

5. Revolving Line of Credit

On August 1, 2023, the Company entered into a Credit Agreement (the "Credit Agreement") by and among the Company, the banks and other financial institutions or entities party thereto as lenders and MUFG Bank, LTD. as administrative agent and collateral agent. The Credit Agreement provides for a $100 million senior secured revolving credit facility (the “Facility”). Borrowings under the Facility may be used to finance acquisitions and other investments permitted under the terms of the Credit Agreement, to pay related fees and expenses and for general corporate purposes.

On April 4, 2025, the Company entered into the First Amendment to Credit Agreement (the “Amendment”, and the Credit Agreement as amended thereby, the “Amended Credit Agreement”) which, among other things, extended the maturity date of the Facility from August 1, 2028 to April 4, 2030 and revised the manner in which the applicable interest rate is determined from a liquidity based determination to a leverage based determination. In addition, the Amendment removed the minimum liquidity and annual recurring revenue covenants contained in the Credit Agreement and replaced them with financial covenants as to (i) maximum Consolidated Senior Net Leverage Ratio and (ii) minimum Consolidated Interest Coverage Ratio (each as defined in the Amended Credit Agreement). As of June 30, 2026, the Company was in compliance with such financial covenants in the Amended Credit Agreement.

Pursuant to the Amended Credit Agreement, borrowings under the Facility may be designated as SOFR Loans or ABR Loans (each as defined in the Amended Credit Agreement), subject to certain terms and conditions under the Amended Credit Agreement, and bear interest at a rate of either (i) SOFR (subject to a 1.0% floor), plus 0.10%, plus a margin ranging from 2.25% to 2.75% based on the Company’s Consolidated Senior Net Leverage Ratio or (ii) ABR (subject to a 2.0% floor) plus a margin ranging from 1.25% to 1.75% based on the Company’s Consolidated Senior Net Leverage Ratio. For the six months ended June 30, 2026, the borrowings under the Facility were designated as SOFR Loans and the weighted average interest rate in effect for the outstanding balance was approximately 6.06%. The Facility also includes a quarterly commitment fee on the unused portion of the Facility of 0.30% or 0.35% based on the Company’s Consolidated Senior Net Leverage Ratio.

The Amended Credit Agreement includes customary conditions to credit extensions, covenants and customary events of default, including restrictions on the Company’s ability to incur liens, incur indebtedness, make or hold investments, execute certain change of control transactions, business combinations or other fundamental changes to its business, dispose of assets, make certain types of restricted payments, including dividends and other distributions to stockholders, enter into certain related party transactions or amend or terminate certain contracts, subject to customary exceptions.

As of June 30, 2026, the Company had an outstanding balance of $32.5 million under the Amended Credit Agreement.

Debt issuance costs associated with the Facility were recorded to Other assets, net within the unaudited condensed consolidated balance sheets and are being amortized as interest expense on a straight-line basis over the term of the Facility.

6. Incentive Stock Plan

Stock-based compensation expense is included in the unaudited condensed consolidated statements of operations as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Cost of revenue	$ 555	$ 684	$ 1,129	$ 1,430
Research and development	5,374	6,405	11,299	12,611
Sales and marketing	4,514	6,089	9,524	12,025
General and administrative	5,421	6,988	12,059	13,895
Total stock-based compensation	$ 15,864	$ 20,166	$ 34,011	$ 39,961

7. Commitments and Contingencies

Contractual Obligations

The Company has non-cancellable minimum guaranteed purchase commitments for primarily data and services. Material contractual commitments as of June 30, 2026 that are not disclosed elsewhere are as follows (in thousands):

Years ending December 31,	
2026	$ 43,793
2027	17,660
2028	13,352
2029	—
2030	—
Thereafter	—
Total contractual obligations	$ 74,805

Legal Matters

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings.

Beginning on May 13, 2024, the Company and certain of its executives were named in two putative securities fraud class action cases filed in the United States District Court for the Northern District of Illinois asserting claims under Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5. The first action, captioned Munch v. Sprout Social, Inc., et al. was filed on May 13, 2024 and alleged that the defendants made false or misleading statements and omissions of fact relating to the Company's business, operations and prospects, including (i) purported integration challenges arising from the Company's August 2023 acquisition of Tagger Media, Inc. ("Tagger"), (ii) the Company's ability to service (and the viability of its strategic plan to focus on) the enterprise market, and (iii) as a result, the Company's 2024 financial guidance was required to be adjusted downward. The Munch complaint sought damages and costs on behalf of a putative class of Company stockholders from November 3, 2023 through and including May 2, 2024. The second case, captioned City of Hollywood Police Officers' Retirement System v. Sprout Social, Inc., et al (the "City of Hollywood Action"), was filed in the United States District Court for the Northern District of Illinois on July 2, 2024. It asserted claims under the same statutory provisions based on substantially similar allegations of misconduct as its predecessor, but alleged a class period beginning on November 3, 2021 and ending on May 2, 2024.

On November 12, 2024, the court appointed the Employees' Retirement System for the City of Baltimore (the "City of Baltimore"), who had been substituted as the named plaintiff in the City of Hollywood action, as the Lead Plaintiff under the Private Securities Litigation Reform Act of 1995 ("PSLRA"). The court subsequently consolidated the two cases (the "Consolidated Securities Action") on December 13, 2024.

On January 24, 2025, the City of Baltimore filed an amended Consolidated Class Action Complaint (the "AC"). The AC retains the original defendants, but adds Jason Rechel, Sprout Social's former head of Investor Relations, as an individual defendant.

The AC makes similar allegations to those asserted in the City of Hollywood Action and adds additional allegations, including purported statements attributed to 15 anonymous confidential witnesses. Most of these individuals are described in the AC as former Sprout Social sales representatives. It claims that the defendants failed to disclose that the Company lacked the infrastructure to successfully implement its strategic shift to the enterprise business market, which purportedly rendered positive statements about enterprise business generation and prospects, and Sprout Social's financials, misleading. More specifically, the AC alleges that (1) Sprout Social's "inbound" sales strategy model, which it also applied to enterprise sales efforts, was not effective for generating enterprise business; (2) Sprout Social's platform lacked certain features valued by large clients; (3) Sprout Social's partnership with Salesforce would not necessarily increase Sprout Social's enterprise business; and (4) Sprout Social's emphasis on ARR as a key metric for financial performance was misleading, given Sprout Social's own abandonment of the metric as a viable performance indicator.

The AC alleges a slightly longer class period than that alleged in the City of Hollywood Action, beginning on September 22, 2021, and ending on May 2, 2024 (the City of Hollywood Action alleged class period that began on November 3, 2021 and ended on May 2, 2024).

On March 25, 2025, defendants filed a Motion to Dismiss (the "Motion") the AC in its entirety. On May 23, 2025, Lead Plaintiff filed a brief in opposition to this Motion. Defendants filed a reply brief in further support of the Motion on July 17, 2025. The court has yet to issue any ruling on the Motion. Under the PSLRA, discovery and other proceedings in the Consolidated Securities Action are automatically stayed pending such a ruling.

On September 3, 2024, a putative stockholder derivative lawsuit captioned Hannaway v. Sprout Social, Inc. et al. (the "Hannaway Derivative Action") was filed in the United States District Court for the Northern District of Illinois against the Company's directors and certain officers. The complaint alleges that the defendants failed to disclose (or misrepresented) facts about the Company's business, operations and prospects, including that (i) the Company's sales and revenue results were not indicative of its growth as it transitioned to an enterprise sales cycle, (ii) the Company was unable to sell to enterprise customers and thus overpaid for, and faced integration challenges with respect to, Tagger, and (iii) as a result, the Company faced longer sales cycles and a slowing pipeline, requiring a downward revision of its 2024 guidance. Based on these allegations, the complaint asserts federal claims under Sections 10(b), 14(a) and 21D of the Exchange Act and Rules 10b-5 and 14a-9, and state law claims for breach of fiduciary duties, unjust enrichment, corporate waste, aiding and abetting and insider selling, and seeks damages in an unspecified amount on the Company's behalf. On October 23, 2024, the court entered a stipulation and order staying the action until the earliest of (i) entry of a final, non-appealable order on any summary judgment motions in the Consolidated Securities Action; (ii) a settlement or other mediated resolution in the Consolidated Securities Action; or (iii) as otherwise agreed to by the Parties (the “Stay Order”). Under the Stay Order, any supplemental derivative action filed in the same court will be consolidated with the Hannaway Derivative Action and subject to the terms of the Stay Order.

On December 17, 2024, a second putative derivative action captioned Munch v. Howard et al. (the “Munch Derivative Action”) was filed in the United States District Court for the Northern District of Illinois against the same defendants. This complaint alleges that, beginning in November 2021, the defendants failed to disclose (or misrepresented) facts about the Company’s business, operations and prospects, including that (i) the Company was neither well-equipped to grow enterprise sales nor executing on its go to market strategy to grow enterprise business; (ii) marketing to enterprise customers would elongate the Company’s sales cycles, and (iii) as a result, the Company was required to adjust its 2024 financial guidance downward. Based on these allegations, plaintiff asserts federal claims under Section 14(a) of the Exchange Act and a state law claim for breach of fiduciary duty, and seeks damages in an unspecified amount on the Company’s behalf. On February 14, 2025, the court consolidated the Munch Derivative Action with the Hannaway Derivative Action (the “Consolidated Derivative Action”) and stayed the Consolidated Derivative Action under the terms of the Stay Order.

The Company intends to vigorously defend against the claims asserted in the foregoing actions. The outcomes of these actions are subject to inherent uncertainties, and the actual defense and disposition costs will depend upon many unknown factors. The Company could be forced to expend significant resources in the defense of these actions and may not prevail. The Company currently is not able to estimate the possible cost from these matters, which are at an early stage, and the Company cannot be certain how long it may take to resolve these actions or the possible amount of any damages that the Company may be required to pay. Such amounts could be material to the Company’s financial statements. The Company has not established any accrual for any potential liability relating to these actions. It is possible that the Company could, in the future, incur a judgment for monetary damages and/or enter into a settlement(s) in connection therewith, which could be material to the Company’s results of operations, financial position and cash flows.

Indemnification

In the ordinary course of business, the Company often includes standard indemnification provisions in its arrangements with third parties, including vendors, customers, investors and the Company’s directors and officers. Pursuant to these provisions, the Company may be obligated to indemnify such parties for losses or claims suffered or incurred. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company’s limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. Historically, the Company has not incurred any significant costs as a result of such indemnification.

8. Segment and Geographic Data

The Company operates as one operating segment. The Company’s chief operating decision maker (“CODM”) is its chief executive officer, who reviews financial information for purposes of making operating decisions, assessing financial performance and allocating resources. The Company’s CODM evaluates financial information on a consolidated basis and considers net loss within the unaudited consolidated statements of operations to be a key measurement of profitability in evaluating financial performance, comparing budget to actuals, and making resource allocation decisions. Further, the CODM reviews and utilizes functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company’s operations. Other segment items included in consolidated net loss are interest expense, interest income, other expense, net, and the provision for income taxes, which are reflected in the unaudited consolidated statements of operations. As the Company operates as one operating segment, all required segment financial information is found in the unaudited condensed consolidated financial statements.

Long-lived assets by geographical region are based on the location of the legal entity that owns the assets. As of June 30, 2026 and December 31, 2025, there were no significant long-lived assets held by entities outside of the United States.

Revenue by geographical region is determined by location of the Company’s customers. Revenue from customers outside of the United States was approximately 26% for each of the six months ended June 30, 2026 and 2025. Revenue by geographical region is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Americas	$ 98,649	$ 89,428	$ 195,513	$ 176,672
EMEA	19,297	16,947	38,188	33,618
Asia Pacific	5,901	5,403	11,643	10,777
Total	$ 123,847	$ 111,778	$ 245,344	$ 221,067

9. Net Loss per Share

Basic net loss per share is calculated by dividing the net loss by the weighted average number of outstanding shares of common stock for each period. Diluted net loss per share is calculated by giving effect to all potential dilutive common stock equivalents, which includes stock options and restricted stock units. Because the Company incurred net losses each period, the basic and diluted calculations are the same. Basic and diluted net loss per share are the same for each class of common stock, as both Class A and Class B stockholders are entitled to the same liquidation and dividend rights.

The following table presents the calculation for basic and diluted net loss per share (in thousands, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Net loss attributable to common shareholders	$ (3,089)	$ (11,985)	$ (9,425)	$ (23,205)
Weighted average common shares outstanding	60,242,258	58,360,966	59,990,662	58,127,231
Net loss per share, basic and diluted	$ (0.05)	$ (0.21)	$ (0.16)	$ (0.40)

The following outstanding shares of common stock equivalents were excluded from the calculation of diluted net loss per share for each period, as the impact of including them would have been anti-dilutive.

	June 30,	
	2026	2025
RSUs outstanding	9,078,243	4,977,018
Total potentially dilutive shares	9,078,243	4,977,018

10. Fair Value Measurements

The Company measures certain financial assets and liabilities at fair value. Fair value is determined based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as determined by either the principal market or the most advantageous market. Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little or no market activity.

The following tables present information about the Company's financial assets and liabilities that are measured at fair value and indicate the fair value hierarchy of the valuation inputs used (in thousands):

	June 30, 2026			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Contingent consideration	$ —	$ —	$ 8,025	$ 8,025
Total liabilities	$ —	$ —	$ 8,025	$ 8,025

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Contingent consideration	$ —	$ —	$ 8,873	$ 8,873
Total liabilities	$ —	$ —	$ 8,873	$ 8,873

There were no transfers of financial instruments between Level 1, Level 2, and Level 3 during the periods presented. As of June 30, 2026 and December 31, 2025, the Company had no Level 1 or Level 2 financial instruments.

The contingent consideration as presented in the fair value table above relates to the acquisition of NewsWhip in July 2025, and represents the future potential earnout payments based on the achievement of specified financial performance metrics through June 30, 2027. Refer to Note 11 for further discussion of the acquisition.

The fair value of the contingent consideration was determined using a scenario-based approach. The model includes significant unobservable inputs including the discount rate and projected revenues over the earn-out period, and as such, the liability is classified as a Level 3 measurement. An increase in the discount rate would result in a decrease in the fair value of the contingent consideration, whereas an increase in the projected revenues would increase the fair value of the liability.

The contingent consideration is remeasured to fair value at each reporting date until the contingency is resolved. Changes in the fair value of contingent consideration, other than measurement period adjustments, are recorded within General and administrative expenses within the condensed consolidated statements of operations. The current and non-current portions of contingent consideration are recorded to Accrued expenses and other and Other noncurrent liabilities, respectively, within the condensed consolidated balance sheets.

The change in fair value of the contingent consideration (a Level 3 input) was as follows (in thousands):

Balance as of December 31, 2025	$	8,873
Change in fair value		(848)
Balance as of June 30, 2026	$	8,025

The carrying amounts of certain financial instruments, including cash held in banks, cash equivalents, restricted cash, accounts receivable, accounts payable and accrued liabilities, approximate fair value due to their short-term maturities and are excluded from the fair value tables above.

11. Business Combinations

NewsWhip Group Holdings Limited

On July 30, 2025, the Company completed its acquisition of all of the outstanding voting shares of NewsWhip, a company incorporated in Ireland that provides real-time social intelligence. NewsWhip's proprietary real-time media monitoring and predictive analytics provide insights into emerging trends and narratives, enabling the Company to enter the public relations and crisis monitoring space.

Consideration for the acquisition of NewsWhip consisted of an upfront cash payment of $52.3 million, subject to adjustment for cash, indebtedness and working capital, deferred consideration of $3.2 million and up to $10.0 million of an earnout, which is contingent upon NewsWhip's achievement of financial performance metrics through June 30, 2027. The earnout is payable in cash in two installments. The earnout is considered contingent consideration and is accounted for as a liability initially measured at fair value. As of June 30, 2026, the fair value of the contingent consideration was $8.0 million, which was determined using a scenario-based approach based on unobservable inputs, including management estimates and assumptions about future revenues and a discount rate. See Note 10 for additional information regarding the fair value determination of the contingent consideration. The deferred consideration includes $1.9 million of certain research and development tax credits that were generated by NewsWhip prior to the acquisition date, additional deferred consideration of $0.8 million and a $0.5 million holdback. The holdback and additional deferred consideration were paid during the fourth quarter of 2025.

The Company funded the upfront cash payment with a combination of cash on hand and $32 million borrowed under the Facility further described in Note 5.

The excess of purchase consideration over the fair value of net assets acquired was recorded as goodwill, and is primarily attributable to expanded market opportunities from integrating the acquired developed technologies with the Company's offerings. The goodwill is not deductible for income tax purposes.

The fair values of the tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions. The allocation of fair value of purchase consideration was finalized in the second quarter of 2026.

The following table summarizes the allocation of purchase price to the estimated fair values of assets acquired and liabilities assumed as of the acquisition date (in thousands):

		July 30, 2025
Consideration:		
Cash	$	52,313
Contingent consideration at fair value		8,450
Deferred consideration		3,215
Additional payment for net working capital adjustment [1]		150
Total purchase consideration	$	64,128
Recognized amount of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	$	1,980
Accounts receivable		2,255
Other current and noncurrent assets		2,335
Intangible assets		24,850
Accounts payable, accrued expenses and other liabilities		(4,661)
Deferred revenue		(4,222)
Deferred tax liabilities		(4,216)
Net assets acquired, excluding Goodwill		18,321
Goodwill		45,807
Total purchase price allocation	$	64,128
Cash and cash equivalents acquired		(1,980)
Total consideration, net of cash acquired	$	62,148

[1] Additional amount paid in the fourth quarter of 2025 upon completion of the review of the working capital assets acquired and liabilities assumed.

The Company engaged a third-party valuation expert to aid its analysis of the identifiable intangible assets acquired. All estimates, key assumptions and forecasts were either provided by or reviewed by the Company. While the Company chose to utilize a third-party valuation expert for assistance, the fair value analysis and related valuations reflect the conclusions of management and not those of any third party.

The fair values of the acquired technology and the trademark identified intangible assets were determined utilizing the relief from royalty method under the income approach. The fair values of the customer relationships and contract backlog were valued using the multi-period excess-earnings method. The Company applied judgment which involved the use of assumptions with respect to revenue growth rates, customer attrition rate, discount rate, royalty rate, obsolescence rate and total operating expenses.

Acquired intangible assets are being amortized over the estimated useful lives on a straight-line basis. The following table summarizes the estimated fair values (in thousands) and estimated useful lives for the identifiable intangible assets acquired as of the acquisition date:

	Fair Value	Expected Useful Life
Acquired Technology	$ 8,400	5 years
Customer Relationships	15,200	7 years
Trademark	800	5 years
Contract Backlog	450	1 year
	$ 24,850	

The Company has included the financial results of NewsWhip in its unaudited condensed consolidated financial statements from the date of acquisition. Separate financial results and pro forma financial information for NewsWhip have not been presented as the effect of this acquisition was not material to the Company’s financial results.

12. Subsequent Events

Workforce Reduction Plan

On July 8, 2026, the board of directors of the Company approved a workforce reduction plan (the "Plan") designed to streamline the Company's organizational structure and align its cost base with its strategic priorities, including its ongoing investments in AI-powered social intelligence. As part of the Plan, the Company will reduce its workforce by approximately 20%, or approximately 260 employees. On July 15, 2026, the Company began notifying affected employees.

During the three months ended June 30, 2026, the Company incurred $0.8 million of restructuring and related expenses, consisting primarily of costs incurred in anticipation of the Plan. The Company estimates that it will incur total pre-tax restructuring charges of approximately $18.0 million to $20.0 million in connection with the Plan, consisting primarily of cash expenditures related to employee severance payments and benefits. The Company expects to recognize substantially all of these charges in the third quarter of 2026. The Company expects to substantially complete the Plan by the end of the third quarter of 2026, subject to local law and consultation requirements.

The charges that the Company expects to incur in connection with the Plan are estimates and are subject to a number of assumptions. Actual results may differ materially from these estimates. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the Plan.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Part I—Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025, and in other parts of this Quarterly Report. See "Cautionary Note Regarding Forward-Looking Statements."

Overview

Sprout Social is a centralized software platform that enables organizations to manage, analyze and act on their presence across social media and related digital channels. Customers use Sprout Social as a system of record for social media and to help realize business value from that channel. Currently, tens of thousands of customers across more than 100 countries rely on our platform.

Introduced in 2011, our cloud software brings together social messaging, data and workflows in a unified system of record, intelligence and action, and processes more than two billion social interactions per day. In 2026, we introduced Trellis, our proprietary artificial intelligence ("AI") agent, which is designed to analyze social media data and generate insights for customers. Operating across major networks, including X (formerly known as Twitter), Facebook, Instagram, TikTok, Snapchat, Pinterest, LinkedIn, Google, Reddit, Glassdoor and YouTube, and commerce platforms Facebook Shops, Shopify and WooCommerce, we provide organizations with a centralized platform to manage their social media efforts across stakeholders and business functions. Virtually every aspect of business has been impacted by social media, from marketing, sales, commerce and public relations to customer service, product and strategy, creating a need for an entirely new category of software. We offer our customers a centralized, secure platform to manage this broad, complex channel effectively across their organization.

We generate revenue primarily from subscriptions to our social media management platform under a software-as-a-service model. Our subscriptions can range from monthly to one-year or multi-year arrangements and are generally non-cancellable during the contractual subscription term. Subscription revenue is recognized ratably over the contract terms beginning on the date the product is made available to customers, which typically begins on the commencement date of each contract. We also generate revenue from professional services related to our platform provided to certain customers, which is generally recognized at the time these services are provided to the customer. This revenue has historically represented approximately 1% of our revenue and is expected to be immaterial for the foreseeable future.

Our tiered subscription-based model allows our customers to choose among four core plans to meet their needs. Each plan is licensed on a per user per month basis at prices dependent on the level of features offered. Additional product modules, which offer increased functionality depending on a customer's needs, can be purchased by the customer on a per user per month basis.

We generated revenue of $123.8 million and $111.8 million during the three months ended June 30, 2026 and 2025, respectively, representing growth of 11%. We generated revenue of $245.3 million and $221.1 million during the six months ended June 30, 2026 and 2025, respectively, representing growth of 11%. In the six months ended June 30, 2026, software subscriptions contributed 99% of our revenue.

We generated net losses of $3.1 million and $12.0 million during the three months ended June 30, 2026 and 2025, respectively, which included stock-based compensation expense of $15.9 million and $20.2 million, respectively. We generated net losses of $9.4 million and $23.2 million during the six months ended June 30, 2026 and 2025, respectively, which included stock-based compensation expense of $34.0 million and $40.0 million, respectively.

Recent Developments

Workforce Reduction Plan

On July 8, 2026, our board of directors approved a workforce reduction plan (the "Plan") designed to streamline our organizational structure and align our cost base with our strategic priorities, including our ongoing investments in AI-powered social intelligence. As part of the Plan, we will reduce our workforce by approximately 20%, or approximately 260 employees.

During the three months ended June 30, 2026, we incurred $0.8 million of restructuring and related expenses, consisting primarily of costs incurred in anticipation of the Plan. We estimate that we will incur total pre-tax restructuring charges of approximately $18.0 million to $20.0 million in connection with the Plan, consisting primarily of cash expenditures related to employee severance payments and benefits. We expect to recognize substantially all of these charges in the third quarter of 2026, and expect to substantially complete the Plan by the end of the third quarter of 2026, subject to local law and consultation requirements.

The charges that we expect to incur in connection with the Plan are estimates and are subject to a number of assumptions. Actual results may differ materially from these estimates. We may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the Plan.

Macroeconomic and Geopolitical Conditions

As a company with a global footprint, we are subject to risks and exposures caused by significant events and their macroeconomic impacts, including, but not limited to, geopolitical instability and uncertainty, fluctuations in inflation, interest rates and currency exchange rates, volatility in the capital markets, tariffs and trade tensions, and related market uncertainty. We continuously monitor the direct and indirect impacts, and the potential for future impacts, of these circumstances on our business and financial results, as well as the overall global economy and geopolitical landscape.

Our current and prospective customers are impacted by these macroeconomic conditions to varying degrees. Potentially as a result of these various macroeconomic impacts on our current and prospective customers, we periodically have experienced more measured buying behavior by current and prospective customers and lengthening of the average sales cycle for certain types of customers and sales (including sales to prospective customers and expansion sales to current customers), which have contributed to a slowdown in our revenue growth as compared to historical levels. We believe macroeconomic uncertainty could persist, and as a result, we expect that some or all of these negative trends may emerge or recur during future quarters.

Acquisition of NewsWhip Group Holdings Limited

On July 30, 2025, we completed the acquisition of all of the outstanding voting shares of NewsWhip Group Holdings Limited (“NewsWhip”). NewsWhip’s proprietary real-time media monitoring and predictive analytics provide insights into emerging trends and narratives, and allowed us to enter the public relations and crisis monitoring space. Consideration for the acquisition of NewsWhip consisted of an upfront cash payment of $52.3 million, subject to adjustment for cash, indebtedness and working capital, deferred consideration of $3.2 million and up to $10.0 million of an earnout, which is contingent upon NewsWhip’s achievement of financial performance metrics through June 30, 2027. We funded the upfront cash payment with cash on hand and $32 million of borrowings under the Facility (as defined below). Refer to Note 11 - “Business Combinations” of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

The purchase price allocation as of the date of acquisition was finalized in the second quarter of 2026. We have included the financial results of NewsWhip in our unaudited condensed consolidated financial statements from the date of acquisition. The impact of NewsWhip’s financial results following the date of acquisition were not significant to our consolidated financial statements.

Key Factors Affecting Our Performance

Acquiring new customers

We are focused on continuing to organically grow our customer base by increasing demand for our platform and penetrating our addressable market. Our growth strategy includes an increased focus on the larger enterprise market. For the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, while our total number of customers decreased, our number of customers contributing $30,000 or more in annualized recurring revenue (“ARR”) and $50,000 or more in ARR increased. In addition, as we continue to focus on expanding our enterprise customer base, we have experienced and expect to continue to experience longer and more expansive average sale cycles and increased pricing pressure, which may be exacerbated by the macroeconomic and geopolitical factors described above. We expect these trends to continue as we remain focused on our most sophisticated prospects and customers.

Expanding within our current customer base

We believe that there is a substantial opportunity for organic growth within our existing customer base. Customers often begin by purchasing a small number of user subscriptions and then expand over time, increasing the number of users or social profiles, as well as purchasing additional product modules. Customers may then expand use-cases between various departments to drive collaboration across their organizations. Our sales and customer success efforts include encouraging organizations to expand use-cases to more fully realize the value from the broader adoption of our platform throughout an organization. We intend to continue to invest in enhancing awareness of our brand, creating additional uses for our products and developing more products, features and functionality of existing products, which we believe are vital to achieving increased adoption of our platform. In recent years, we have increased our focus on expanding our customers’ use of our platform over time.

Sustaining product and technology innovation

Our success is dependent on our ability to sustain product and technology innovation and maintain the competitive advantage of our proprietary technology. We continue to invest resources to enhance the capabilities of our platform by introducing new products, features and functionality of existing products, either through acquisition or internal development.

International expansion

We see international expansion as a meaningful opportunity to grow our platform. Revenue generated from non-U.S. customers during the six months ended June 30, 2026 was approximately 26% of our total revenue. We have teams in Ireland, Canada, the United Kingdom, Singapore, Australia, the Philippines and Poland to support our growth internationally. We believe global demand for our platform and offerings will continue to increase as awareness of our platform in international markets grows. We will continue supporting our international operations and will evaluate opportunities to invest in local sales, customer support and customer success resources in select markets as appropriate.

Key Business Metrics

We review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions.

For purposes of the below metrics, we define ARR as the annualized revenue run-rate of subscription agreements from all customers as of the last date of the specified period, and we define a customer as a unique account, multiple accounts containing a common non-personal email domain, or multiple accounts governed by a single agreement or entity. Beginning in the third quarter of 2025, the metrics below include NewsWhip customers.

Number of customers contributing $30,000 or more in ARR

We define number of customers contributing $30,000 or more in ARR as those on a paid subscription plan that had $30,000 or more in ARR as of a period end.

We view the number of customers that contribute $30,000 or more in ARR as a measure of our ability to scale with our customers and attract larger organizations. We believe this represents potential for future growth, including expanding within our current customer base. Over time, larger customers have constituted a greater share of our revenue.

	As of June 30,	
	2026	2025
Number of customers contributing $30,000 or more in ARR	3,926	3,538

Number of customers contributing $50,000 or more in ARR

We define number of customers contributing $50,000 or more in ARR as those on a paid subscription plan that had $50,000 or more in ARR as of a period end.

We view the number of customers that contribute $50,000 or more in ARR as a measure of our ability to scale with our largest customers and attract more sophisticated organizations. We believe this represents potential for future growth, including expanding within our current customer base. Over time, our largest customers have constituted a greater share of our revenue.

	As of June 30,	
	2026	2025
Number of customers contributing $50,000 or more in ARR	2,127	1,826

Components of our Results of Operations

Revenue

Subscription

We generate revenue primarily from subscriptions to our social media management platform under a software-as-a-service model. Our subscriptions can range from monthly to one-year or multi-year arrangements and are generally non-cancellable during the contractual subscription term. Subscription revenue is recognized ratably over the contract terms beginning on the date our product is made available to customers, which typically begins on the commencement date of each contract. Our customers do not have the right to take possession of the online software solution. We also generate a small portion of our subscription revenue from third-party resellers.

Professional Services

We sell professional services consisting of, but not limited to, implementation fees, specialized training, one-time reporting services and recurring periodic reporting services. Professional services revenue is generally recognized at the time these services are provided to the customer. This revenue has historically represented approximately 1% of our revenue and is expected to be immaterial for the foreseeable future.

Cost of Revenue

Subscription

Cost of revenue primarily consists of expenses related to hosting our platform and providing support to our customers. These expenses comprise fees paid to data providers, hosted data center costs and personnel costs directly associated with cloud infrastructure, customer success and customer support, including salaries, benefits, bonuses and allocated overhead. These costs also include depreciation expense and amortization expense related to acquired developed technologies that directly benefit sales. Overhead associated with facilities and information technology is allocated to cost of revenue and operating expenses based on headcount. Although we expect our cost of revenue to increase in absolute dollars as our business and revenue grows, we expect it to remain stable as a percentage of our revenue over time.

Professional Services and Other

Cost of professional services primarily consists of expenses related to our professional services organization and comprise personnel costs, including salaries, benefits, bonuses and allocated overhead.

Gross Profit and Gross Margin

Gross margin is calculated as gross profit as a percentage of total revenue. Our gross margin may fluctuate from period to period based on revenue earned, the timing and amount of investments made to expand our hosting capacity, our customer support and professional services teams and in hiring additional personnel, and the impact of acquisitions. We expect our gross profit and gross margin to increase as our business grows over time.

Operating Expenses

Research and Development

Research and development expenses primarily consist of personnel costs, including salaries, benefits and allocated overhead. Research and development expenses also include depreciation expense and other expenses associated with product development. We expect to continue investing in research and development as we focus on developing new features and enhancements to our plan offerings. Due to the recent reduction in our workforce, we expect the dollar amount of our research and development costs to remain relatively flat or decrease in the near term, excluding one-time items. We expect our research and development expenses to decrease as a percentage of revenue over time. Refer to Note 12 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion of the Plan.

Sales and Marketing

Sales and marketing expenses primarily consist of personnel costs directly associated with our sales and marketing department, online advertising expenses, as well as allocated overhead, including depreciation expense. Sales force commissions and bonuses are considered incremental costs of obtaining a contract with a customer. Sales commissions are earned and recorded at contract commencement for both new customer contracts and expansion of contracts with existing customers.

Sales commissions are deferred and amortized on a straight-line basis over the expected period of benefit, which we have determined to be five years. Due to the recent reduction in our workforce, we expect the dollar amount of our sales and marketing costs to decrease in the near term, excluding one-time items. We expect that our sales and marketing expenses will decrease as a percentage of total revenue over time as we continue to scale our business and drive operating efficiencies.

General and Administrative

General and administrative expenses primarily consist of personnel expenses associated with our finance, legal, human resources and other administrative employees. Our general and administrative expenses also include professional fees for external legal, accounting and other consulting services, amortization of intangible assets, depreciation and amortization expense, as well as allocated overhead. We expect the dollar amount of our general and administrative expenses to remain relatively flat in the near term, and to decrease as a percentage of revenue over time as we benefit from greater operational scale and efficiency.

Interest Income (Expense), Net

Interest income (expense), net consists primarily of interest expense related to the Facility (as defined below) and is offset by interest income earned on our cash and investment balances.

Other Expense, Net

Other expense, net consists of foreign currency transaction gains and losses.

Income Tax Provision

The income tax provision consists of current and deferred taxes for our United States and foreign jurisdictions. We have historically reported a taxable loss in our most significant jurisdiction, the United States, and have a full valuation allowance against our deferred tax assets related to domestic operations, except for those from our acquisition of NewsWhip in 2025, which do not have a valuation allowance, and certain deferred tax assets related to foreign operations. We expect this trend to continue for the foreseeable future.

Results of Operations

The following tables set forth information comparing the components of our results of operations in dollars and as a percentage of total revenue for the periods presented.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Revenue				
Subscription	$ 121,877	$ 111,110	$ 241,897	$ 219,790
Professional services and other	1,970	668	3,447	1,277
Total revenue	123,847	111,778	245,344	221,067
Cost of revenue[(1)]				
Subscription	27,159	24,551	54,594	49,024
Professional services and other	600	383	1,156	748
Total cost of revenue	27,759	24,934	55,750	49,772
Gross profit	96,088	86,844	189,594	171,295
Operating expenses				
Research and development[(1)]	26,643	24,587	53,590	47,816
Sales and marketing[(1)]	47,416	48,152	95,962	95,604
General and administrative[(1)]	24,698	26,420	48,557	51,392
Total operating expenses	98,757	99,159	198,109	194,812
Loss from operations	(2,669)	(12,315)	(8,515)	(23,517)
Interest expense	(618)	(409)	(1,285)	(923)
Interest income	843	946	1,594	1,841
Other expense, net	(291)	356	(454)	188
Loss before income taxes	(2,735)	(11,422)	(8,660)	(22,411)
Income tax expense	354	563	765	794
Net loss	$ (3,089)	$ (11,985)	$ (9,425)	$ (23,205)

(1) Includes stock-based compensation expense as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(in thousands)			
Cost of revenue	$ 555	$ 684	$ 1,129	$ 1,430
Research and development	5,374	6,405	$ 11,299	$ 12,611
Sales and marketing	4,514	6,089	$ 9,524	$ 12,025
General and administrative	5,421	6,988	$ 12,059	$ 13,895
Total stock-based compensation	$ 15,864	$ 20,166	$ 34,011	$ 39,961

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
	(as a percentage of total revenue)			
Revenue				
Subscription	98 %	99 %	99 %	99 %
Professional services and other	2 %	1 %	1 %	1 %
Total revenue	100 %	100 %	100 %	100 %
Cost of revenue				
Subscription	22 %	22 %	22 %	22 %
Professional services and other	— %	— %	— %	— %
Total cost of revenue	22 %	22 %	23 %	23 %
Gross profit	78 %	78 %	77 %	77 %
Operating expenses				
Research and development	22 %	22 %	22 %	22 %
Sales and marketing	38 %	43 %	39 %	43 %
General and administrative	20 %	24 %	20 %	23 %
Total operating expenses	80 %	89 %	81 %	88 %
Loss from operations	(2)%	(11)%	(3)%	(11)%
Interest expense	— %	— %	(1)%	— %
Interest income	1 %	1 %	1 %	1 %
Other expense, net	— %	— %	— %	— %
Loss before income taxes	(2)%	(10)%	(4)%	(10)%
Income tax expense	— %	1 %	— %	— %
Net loss	(2)%	(11)%	(4)%	(10)%

Note: Certain amounts may not sum due to rounding

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Revenue

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
	(*dollars in thousands*)			
Revenue				
Subscription	$ 121,877	$ 111,110	$ 10,767	10 %
Professional services and other	1,970	668	1,302	195 %
Total revenue	$ 123,847	$ 111,778	$ 12,069	11 %
Percentage of Total Revenue				
Subscription	98 %	99 %		
Professional services and other	2 %	1 %		

The increase in subscription revenue was primarily driven by increased revenue from our highest tier customers. The number of customers contributing $30,000 or more in ARR grew 11% versus the prior year and the number of customers contributing $50,000 or more in ARR grew 16% versus the prior year. The increase in new customers within the highest tiers was primarily driven by prioritizing our customer success and growth resources towards these customers.

Cost of Revenue and Gross Margin

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
	(*dollars in thousands*)			
Cost of revenue				
Subscription	$ 27,159	$ 24,551	$ 2,608	11 %
Professional services and other	600	383	217	57 %
Total cost of revenue	27,759	24,934	2,825	11 %
Gross profit	$ 96,088	$ 86,844	$ 9,244	11 %
Gross margin				
Total gross margin	78 %	78 %		

The increase in cost of subscription revenue for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily due to the following:

	Change
	(*in thousands*)
Data provider fees	$ 1,870
Hosting fees	606
Amortization of intangible assets	420
Other	(288)
Subscription cost of revenue	$ 2,608

Fees paid to our data providers increased due to higher costs of third-party data utilized in our platform. Hosting fees increased due to additional costs associated with the expansion of our highest tier customers and increased utilization of computing and storage needs. The increase in the amortization expense of intangible assets was driven by the acquired developed technology recognized as part of the NewsWhip acquisition. Refer to Note 11 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

Operating Expenses

Research and Development

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
		(dollars in thousands)		
Research and development	$ 26,643	$ 24,587	$ 2,056	8 %
Percentage of total revenue	22 %	22 %		

The increase in research and development expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily due to the following:

	Change
	(*in thousands*)
Personnel costs	$ 2,610
Stock-based compensation expense	(1,031)
Other	477
Research and development	$ 2,056

Personnel costs increased primarily as a result of an increase in headcount as we continued to grow our research and development teams to drive our technology innovation through the development and maintenance of our platform. Headcount in the research and development organization increased 18% compared to the same period in the prior year. The decrease in stock-based compensation expense was driven by equity award forfeitures and lower grant values.

Sales and Marketing

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
		(dollars in thousands)		
Sales and marketing	$ 47,416	$ 48,152	$ (736)	(2)%
Percentage of total revenue	38 %	43 %		

The decrease in sales and marketing expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily due to the following:

		Change
		(*in thousands*)
Stock-based compensation expense	$	(1,575)
Sales commission expense		1,718
Other		(879)
Sales and marketing	$	(736)

The decrease in stock-based compensation expense was driven by equity award forfeitures and lower grant values. Sales commission expense increased due to year-over-year sales growth. The decrease in other was primarily driven by various marketing initiatives.

General and Administrative

	Three Months Ended June 30,				Change		
	2026		2025		Amount		%
			(*dollars in thousands*)				
General and administrative	$	24,698	$	26,420	$	(1,722)	(7)%
Percentage of total revenue		20 %		24 %			

The decrease in general and administrative expense for the three months ended June 30, 2026 compared to the three months ended June 30, 2025 was primarily due to the following:

		Change
		(*in thousands*)
Stock-based compensation expense	$	(1,567)
Loss on lease termination		(1,175)
Change in fair value of contingent consideration		(355)
Restructuring and related costs		816
Amortization of intangible assets		695
Other		(136)
General and administrative	$	(1,722)

The decrease in stock-based compensation expense was driven by equity award forfeitures and lower grant values. The loss on lease termination was incurred in April 2025 following an amendment to our Chicago office lease agreement, which resulted in the early termination of one floor of the leased space. Changes in fair value of contingent consideration were driven by revised revenue estimates utilized in estimating the NewsWhip earnout liability. Refer to Note 10 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion. Restructuring and related costs consist of preliminary expenses incurred in anticipation of the Plan. Refer to Note 12 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion. The increase in the amortization expense of intangible assets was primarily driven by the intangible assets recognized as part of the NewsWhip acquisition.

Interest Income, Net

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
		(*dollars in thousands*)		
Interest income (expense), net	$ 225	$ 537	$ (312)	(58)%
Percentage of total revenue	— %	— %		

The decrease in interest income, net was driven by higher interest expense as a result of a higher balance on the Facility as compared to the same period in 2025, and lower interest income attributable to maturity of the remaining marketable securities in the second quarter of 2025.

Other Expense, Net

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
		(*dollars in thousands*)		
Other expense, net	$ (291)	$ 356	$ (647)	n/m[(1)]
Percentage of total revenue	— %	— %		

(1) Calculated metric is not meaningful.

The change in other expense, net was primarily driven by foreign exchange transaction losses.

Income Tax Expense

	Three Months Ended June 30,		Change	
	2026	2025	Amount	%
		(*dollars in thousands*)		
Income tax expense	$ 354	$ 563	$ (209)	(37)%
Percentage of total revenue	— %	1 %		

The change in income tax expense was partly driven by a tax benefit related to deferred tax liabilities associated with the NewsWhip acquisition, partially offset by an increase in state income tax expense.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenue

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Revenue				
Subscription	$ 241,897	$ 219,790	$ 22,107	10 %
Professional services and other	3,447	1,277	2,170	170 %
Total revenue	$ 245,344	$ 221,067	$ 24,277	11 %
Percentage of Total Revenue				
Subscription	99 %	99 %		
Professional services and other	1 %	1 %		

The increase in subscription revenue was primarily driven by increased revenue from our highest tier customers. The number of customers contributing $30,000 or more in ARR grew 11% versus the prior year and the number of customers contributing $50,000 or more in ARR grew 16% versus the prior year. The increase in new customers within the highest tiers was primarily driven by prioritizing our customer success and growth resources towards these customers.

Cost of Revenue and Gross Margin

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Cost of revenue				
Subscription	$ 54,594	$ 49,024	$ 5,570	11 %
Professional services and other	1,156	748	408	55 %
Total cost of revenue	55,750	49,772	5,978	12 %
Gross profit	$ 189,594	$ 171,295	$ 18,299	11 %
Gross margin				
Total gross margin	77 %	77 %		

The increase in cost of subscription revenue for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily due to the following:

	Change
	(*in thousands*)
Data provider fees	$ 3,745
Hosting fees	1,247
Amortization of intangible assets	840
Personnel costs	731
Restructuring and related costs	(416)
Other	(577)
Subscription cost of revenue	$ 5,570

Fees paid to our data providers increased due to higher costs of third-party data utilized in our platform. Hosting fees increased due to additional costs associated with the expansion of our highest tier customers and increased utilization of computing and storage needs. The increase in personnel costs was partially driven by additional headcount resulting from the NewsWhip acquisition in July 2025. The increase in the amortization expense of intangible assets was driven by the acquired developed technology recognized as part of the NewsWhip acquisition. Refer to Note 11 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion. In February 2025, we initiated a restructuring plan with the primary focus on our Sales and Customer Experience teams, which resulted in restructuring costs during the six months ended June 30, 2025.

Operating Expenses

Research and Development

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
		(*dollars in thousands*)		
Research and development	$ 53,590	$ 47,816	$ 5,774	12 %
Percentage of total revenue	22 %	22 %		

The increase in research and development expense for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily due to the following:

	Change
	(*in thousands*)
Personnel costs	$ 5,905
Stock-based compensation expense	(1,312)
Other	1,181
Research and development	$ 5,774

Personnel costs increased primarily as a result of an increase in headcount as we continued to grow our research and development teams to drive our technology innovation through the development and maintenance of our platform. Headcount in the research and development organization increased 18% compared to the same period in the prior year. The decrease in stock-based compensation expense was driven by equity award forfeitures and lower grant values.

Sales and Marketing

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
		(dollars in thousands)		
Sales and marketing	$ 95,962	$ 95,604	$ 358	— %
Percentage of total revenue	39 %	43 %		

The increase in sales and marketing expense for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily due to the following:

	Change
	(in thousands)
Sales commission expense	$ 3,455
Personnel costs	2,149
Stock-based compensation expense	(2,501)
Restructuring and related costs	(2,285)
Other	(460)
Sales and marketing	$ 358

Sales commission expense increased due to year-over-year sales growth. Personnel costs increased primarily as a result of an increase in headcount as we continued to expand our sales teams to grow our customer base. The decrease in stock-based compensation expense was driven by equity award forfeitures and lower grant values. In February 2025, we initiated a restructuring plan with the primary focus on our Sales and Customer Experience teams, which resulted in restructuring costs during the six months ended June 30, 2025. The decrease in other was primarily driven by various marketing initiatives.

General and Administrative

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
		(dollars in thousands)		
General and administrative	$ 48,557	$ 51,392	$ (2,835)	(6)%
Percentage of total revenue	20 %	23 %		

The decrease in general and administrative expense for the six months ended June 30, 2026 compared to the six months ended June 30, 2025 was primarily due to the following:

	Change
	(*in thousands*)
Stock-based compensation expense	$ (1,836)
Loss on lease termination	(1,175)
Bad debt expense	(1,165)
Change in fair value of contingent consideration	(848)
Personnel costs	2,147
Amortization of intangible assets	1,391
Restructuring and related costs	816
Other	(2,165)
General and administrative	$ (2,835)

The decrease in stock-based compensation expense was driven by equity award forfeitures and lower grant values. The loss on lease termination was incurred in April 2025 following an amendment to our Chicago office lease agreement, which resulted in the early termination of one floor of the leased space. Changes in fair value of contingent consideration were driven by revised revenue estimates utilized in estimating the NewsWhip earnout liability. Refer to Note 10 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion. Personnel costs increased as we continued to invest in our finance, legal and other administrative functions to support the Company's growth. The increase in the amortization expense of intangible assets was primarily driven by the intangible assets recognized as part of the NewsWhip acquisition. Restructuring and related costs consist of preliminary expenses incurred in anticipation of the Plan. Refer to Note 12 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion. The decrease in other was partially driven by lower overhead costs and other expenses due to the April 2025 early partial lease termination.

Interest Income, Net

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(*dollars in thousands*)			
Interest income (expense), net	$ 309	$ 918	$ (609)	(66)%
Percentage of total revenue	— %	— %		

The decrease in interest income, net was driven by higher interest expense as a result of a higher balance on the Facility as compared to the same period in 2025, and lower interest income attributable to maturity of the remaining marketable securities in the second quarter of 2025.

Other Expense, Net

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(*dollars in thousands*)			
Other expense, net	$ (454)	$ 188	$ (642)	n/m[1]
Percentage of total revenue	— %	— %		

---

(1) Calculated metric is not meaningful.

The change in other expense, net was primarily driven by foreign exchange transaction losses.

Income Tax Expense

	Six Months Ended June 30,		Change	
	2026	2025	Amount	%
	(*dollars in thousands*)			
Income tax expense	$ 765	$ 794	$ (29)	(4)%
Percentage of total revenue	— %	— %		

Income tax expense for the periods presented was primarily driven by foreign income tax expense.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. generally accepted accounting principles (“GAAP”), we believe the following non-GAAP measures are useful in evaluating our operating performance. We use the below non-GAAP financial information, collectively, to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance by excluding certain items that may not be indicative of our business, operating results or future outlook.

However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit

We define non-GAAP gross profit as GAAP gross profit, excluding stock-based compensation expense, amortization expense associated with the acquired developed technology from the Tagger Media, Inc. ("Tagger") and NewsWhip acquisitions, and restructuring and related charges. We believe non-GAAP gross profit provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as it eliminates the effect of stock-based compensation, amortization expense and restructuring and related charges, which are often unrelated to overall operating performance.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation of Non-GAAP gross profit	***(dollars in thousands)***			
Gross profit	$ 96,088	$ 86,844	$ 189,594	$ 171,295
Stock-based compensation expense	555	684	1,129	1,430
Amortization of acquired developed technology	1,125	705	2,250	1,410
Restructuring and related charges	—	—	—	416
Non-GAAP gross profit	$ 97,768	$ 88,233	$ 192,973	$ 174,551

Non-GAAP Operating Income

We define non-GAAP operating income as GAAP loss from operations, excluding stock-based compensation expense, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges, non-cash losses from lease terminations, acquisition-related expenses and changes in the fair value of contingent consideration. We believe non-GAAP operating income provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as it eliminates the effect of stock-based compensation, amortization expense, restructuring and related charges, non-cash losses from lease terminations, acquisition-related expenses and changes in the fair value of contingent consideration, which are often unrelated to overall operating performance.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation of Non-GAAP operating income	***(dollars in thousands)***			
Loss from operations	$ (2,669)	$ (12,315)	$ (8,515)	$ (23,517)
Stock-based compensation expense	15,864	20,166	34,011	39,961
Amortization of acquired intangible assets	2,328	1,213	4,656	2,426
Restructuring and related charges	816	—	816	2,731
Loss on lease termination	—	1,175	—	1,175
Acquisition-related expenses	—	90	—	90
Change in fair value of contingent consideration	(355)	—	(848)	—
Non-GAAP operating income	$ 15,984	$ 10,329	$ 30,120	$ 22,866

Non-GAAP Net Income

We define non-GAAP net income as GAAP net loss, excluding stock-based compensation expense, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges, non-cash losses from lease terminations, acquisition-related expenses and changes in the fair value of contingent consideration. We believe non-GAAP net income provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, amortization expense, restructuring and related charges, non-cash losses from lease terminations, acquisition-related expenses and changes in the fair value of contingent consideration, which are often unrelated to overall operating performance.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation of Non-GAAP net income	*(dollars in thousands)*			
Net loss	$ (3,089)	$ (11,985)	$ (9,425)	$ (23,205)
Stock-based compensation expense	15,864	20,166	34,011	39,961
Amortization of acquired intangible assets	2,328	1,213	4,656	2,426
Restructuring and related charges	816	—	816	2,731
Loss on lease termination	—	1,175	—	1,175
Acquisition-related expenses	—	90	—	90
Change in fair value of contingent consideration	(355)	—	(848)	—
Non-GAAP net income	$ 15,564	$ 10,659	$ 29,210	$ 23,178

Non-GAAP Net Income per Share

We define non-GAAP net income per share as GAAP net loss per share attributable to common shareholders, basic and diluted, excluding stock-based compensation expense, amortization expense associated with the acquired intangible assets from the Tagger and NewsWhip acquisitions, restructuring and related charges, non-cash losses from lease terminations, acquisition-related expenses and changes in the fair value of contingent consideration. We believe non-GAAP net income per share provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, amortization expense, restructuring and related charges, non-cash losses from lease terminations, acquisition-related expenses and changes in the fair value of contingent consideration, which are often unrelated to overall operating performance.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Reconciliation of Non-GAAP net income per share				
Net loss per share attributable to common shareholders, basic and diluted	$ (0.05)	$ (0.21)	$ (0.16)	$ (0.40)
Stock-based compensation expense per share	0.27	0.35	0.57	0.69
Amortization of acquired intangible assets	0.04	0.02	0.08	0.04
Restructuring and related charges	0.01	—	0.01	0.05
Loss on lease termination	—	0.02	—	0.02
Acquisition-related expenses	—	—	—	—
Change in fair value of contingent consideration	(0.01)	—	(0.01)	—
Non-GAAP net income per share	$ 0.26	$ 0.18	$ 0.49	$ 0.40

Liquidity and Capital Resources

As of June 30, 2026, our principal sources of liquidity were cash and cash equivalents of $119.9 million and net accounts receivable of $78.1 million. Historically, we have generated losses from operations as evidenced by our accumulated deficit. However, we have generated positive cash flows from operations for the last five fiscal years, from 2021 to 2025. For the six months ended June 30, 2026 and 2025, we also generated positive cash flows from operations. We may experience greater than anticipated operating losses in the short- and long-term due to macroeconomic, financial, geopolitical and other factors that are beyond our control. The impact of these factors on our customers and our operations going forward remains uncertain, and we continue to proactively monitor our liquidity position.

We primarily finance our operations through cash flows from operating activities, available cash and line of credit borrowings. In August 2023, we borrowed $75 million under the Facility in connection with the Tagger acquisition, and in July 2025, we borrowed $32 million under the Facility in connection with the NewsWhip acquisition. Our principal uses of cash in recent periods have been to fund operations, pay for acquisitions, pay down our Facility and invest in capital expenditures.

We believe our existing cash and cash equivalents will be sufficient to meet our operating and capital needs for at least the next 12 months. We believe we will meet longer-term expected future cash requirements and obligations through a combination of cash flows from operating activities, available cash and investment balances and potential future equity or debt transactions. Our future capital requirements will depend on many factors, including our subscription growth rate, subscription renewal activity, billing frequency, the impact of macroeconomic and geopolitical conditions on our customers and our operations, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced product offerings, the continuing market acceptance of our product, and the successful implementation of cost reduction measures (such as the Plan). We have in the past, and may in the future, enter into arrangements to acquire or invest in complementary businesses, products and technologies, including intellectual property rights. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations, our business, results of operations and financial condition could be adversely affected.

While we expect that the Plan and the majority of the related cash expenditures will be substantially complete by the end of the third quarter of 2026, we may incur additional costs not currently contemplated due to events that may occur, or that are associated with, the Plan. Additionally, we may not achieve the expected benefits of these cost reduction measures and other cost reduction plans on the anticipated timeline, or at all, which could otherwise accelerate our liquidity needs.

Credit Agreement

On August 1, 2023, we entered into a Credit Agreement (the “Credit Agreement”) by and among the Company, the banks and other financial institutions or entities party thereto as lenders and MUFG Bank, LTD. as administrative agent and collateral agent. The Credit Agreement provides for a $100 million senior secured revolving credit facility (the “Facility”), maturing on August 1, 2028. Borrowings under the Facility may be used to finance acquisitions and other investments permitted under the terms of the Credit Agreement, to pay related fees and expenses and for general corporate purposes.

On April 4, 2025, we entered into the First Amendment to Credit Agreement (the “Amendment”, and the Credit Agreement as amended thereby, the “Amended Credit Agreement”) which, among other things, extended the maturity date of the Facility from August 1, 2028 to April 4, 2030 and revised the manner in which the applicable interest rate is determined from a liquidity based determination to a leverage based determination. In addition, the Amendment removed the minimum liquidity and annual recurring revenue covenants contained in the Credit Agreement and replaced them with financial covenants as to (i) maximum Consolidated Senior Net Leverage Ratio and (ii) minimum Consolidated Interest Coverage Ratio (each as defined in the Amended Credit Agreement). As of June 30, 2026, we were in compliance with such financial covenants in the Amended Credit Agreement and expect to be in compliance with such financial covenants for the next 12 months.

Pursuant to the Amended Credit Agreement, borrowings under the Facility may be designated as SOFR Loans or ABR Loans (each as defined in the Amended Credit Agreement), subject to certain terms and conditions under the Amended Credit Agreement, and bear interest at a rate of either (i) SOFR (subject to a 1.0% floor), plus 0.10%, plus a margin ranging from 2.25% to 2.75% based on our Consolidated Senior Net Leverage Ratio or (ii) ABR (subject to a 2.0% floor) plus a margin ranging from 1.25% to 1.75% based on our Consolidated Senior Net Leverage Ratio. For the six months ended June 30, 2026, the borrowings under the Facility were designated as SOFR Loans. The Facility also includes a quarterly commitment fee on the unused portion of the Facility of 0.30% or 0.35% based on our Consolidated Senior Net Leverage Ratio.

The Amended Credit Agreement includes customary conditions to credit extensions, covenants, and customary events of default, including restrictions on our ability to incur liens, incur indebtedness, make or hold investments, execute certain change of control transactions, business combinations or other fundamental changes to its business, dispose of assets, make certain types of restricted payments, including dividends and other distributions to stockholders, enter into certain related party transactions, or amend or terminate certain contracts, subject to customary exceptions.

As of June 30, 2026, we had an outstanding balance of $32.5 million under the Amended Credit Agreement. Refer to Note 5 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

Share Repurchase Program

On May 7, 2026, we announced that our board of directors authorized a share repurchase program (the “Share Repurchase Program”) under which we may repurchase up to $50 million of our Class A common stock. The Share Repurchase Program authorizes us to repurchase our Class A common stock from time to time in the open market, in privately negotiated transactions, through block purchases, through Rule 10b5-1 trading plans, or by any combination of such methods, all in accordance with applicable securities laws and regulations. The timing and amount of any repurchase will be determined by our management at our discretion and will depend on a variety of factors, including but not limited to the market price of our Class A common stock, general business and market conditions, alternative investment opportunities and funding considerations. The Share Repurchase Program does not obligate us to repurchase any particular amount of Class A common stock, has no set termination date and may be modified, suspended or discontinued at any time at the discretion of our board of directors.

As of June 30, 2026, no shares have been repurchased under the share repurchase program.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Six Months Ended June 30,	
	2026	2025
	(in thousands)	
Net cash provided by operating activities	$ 33,684	$ 23,194
Net cash (used in) provided by investing activities	(1,720)	1,485
Net cash used in financing activities	(7,298)	(9,542)
Net increase in cash, cash equivalents and restricted cash	$ 24,666	$ 15,137

Operating Activities

Our largest source of operating cash is cash collections from our customers for subscription services. Our primary uses of cash from operating activities are for personnel costs across the sales and marketing and research and development departments, fees paid to data providers and hosting costs. We have generated positive cash flows from operating activities for each fiscal year since 2021. For the six months ended June 30, 2026 and 2025, we also generated positive cash flows from operating activities.

Net cash provided by operating activities during the six months ended June 30, 2026 was $33.7 million, which resulted from a net loss of $9.4 million adjusted for non-cash charges of $55.8 million and net cash outflow of $12.7 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $34.0 million of stock-based compensation expense, $14.4 million for amortization of deferred contract acquisition costs, which were primarily commissions, $6.7 million of depreciation and intangible asset amortization expense, a $0.8 million change in the fair value of contingent consideration and $0.8 million of amortization of right-of-use (“ROU”) operating lease assets. The net cash outflow from changes in operating assets and liabilities was primarily the result of a $15.4 million increase in deferred commissions due to the addition of new customers and expansion of the business, an $11.8 million decrease in deferred revenue, a $3.8 million decrease in accounts payable and accrued expenses, a $2.2 million increase in prepaid expenses and other assets, and a $1.3 million decrease in operating lease liabilities. These outflows were primarily offset by a $21.8 million decrease in accounts receivable.

Net cash provided by operating activities during the six months ended June 30, 2025 was $23.2 million, which resulted from a net loss of $23.2 million adjusted for non-cash charges of $59.7 million and net cash outflow of $13.3 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $40.0 million of stock-based compensation expense, $10.9 million for amortization of deferred contract acquisition costs, which were primarily commissions, $4.6 million of depreciation and intangible asset amortization expense, a $1.2 million loss on lease termination and $0.7 million of amortization of ROU operating lease assets. The net cash outflow from changes in operating assets and liabilities was primarily the result of a $15.1 million increase in deferred commissions due to the addition of new customers and expansion of the business, a $7.6 million decrease in deferred revenue, a $3.2 million decrease in accounts payable and accrued expenses and a $2.1 million decrease in operating lease liabilities. These outflows were primarily offset by a $14.5 million decrease in accounts receivable and a $0.2 million decrease in prepaid expenses and other assets.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2026 was $1.7 million, which consisted of $1.7 million in purchases of fixed assets, primarily capitalized software costs.

Net cash provided by investing activities for the six months ended June 30, 2025 was $1.5 million, which was primarily due to $3.8 million in proceeds from the maturities of marketable securities, partially offset by $2.3 million in purchases of fixed assets, primarily capitalized software costs and computer equipment.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2026 was $7.3 million, driven by $7.5 million in repayments of the Facility and $0.4 million in payments related to employee withholding taxes as a result of the net settlement of stock-based awards, partially offset by $0.6 million in proceeds from purchases under our employee stock purchase plan.

Net cash used in financing activities for the six months ended June 30, 2025 was $9.5 million, driven by $10.0 million in repayments of the Facility and $0.5 million in issuance costs related to the Amended Credit Agreement, partially offset by $0.9 million in proceeds from purchases under our employee stock purchase plan.

Contractual Obligations

As of June 30, 2026, we have $32.5 million outstanding under the Amended Credit Agreement, which matures on April 4, 2030. Refer to Note 5 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

In connection with our acquisition of NewsWhip in July 2025, we are required to make post-closing earnout payments, which are contingent upon NewsWhip's achievement of financial performance metrics through June 30, 2027. As of June 30, 2026, the total estimated liability associated with the contingent consideration was $8.0 million. Refer to Note 10 and 11 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

As of June 30, 2026, we have non-cancellable contractual obligations related primarily to operating leases and minimum guaranteed purchase commitments for data and services. As of June 30, 2026, the total obligation for operating leases was $16.0 million, of which $3.6 million is expected to be paid in the next twelve months. As of June 30, 2026, our purchase commitment for primarily data and services was $74.8 million, of which $53.1 million is expected to be paid in the next twelve months. Refer to Note 3 and 7 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for more information regarding these obligations.

Recent Accounting Pronouncements

Refer to Note 1 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for more information.

Critical Accounting Policies and Estimates

Our unaudited condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these unaudited condensed consolidated financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates.

Our significant accounting policies are discussed in Note 1 in the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2025 included in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 27, 2026. There have been no significant changes to these policies during the six months ended June 30, 2026.

Item 3. Quantitative and Qualitative Disclosures of Market Risk

Interest Rate Risk

We had cash and cash equivalents totaling $119.9 million as of June 30, 2026, the majority of which was invested in money market accounts and money market funds. In recent periods, we have also had marketable securities which were invested in investment-grade corporate bonds. Such interest-earning instruments carry a degree of interest rate risk with respect to the interest income generated. Additionally, certain of these cash investments are maintained at balances beyond Federal Deposit Insurance Corporation (“FDIC”) coverage limits or are not insured by the FDIC. Accordingly, there may be a risk that we will not recover the full principal of our cash investments. To date, fluctuations in interest income have not been significant. Because these accounts are highly liquid, we do not have material exposure to market risk. Our cash is held for working capital purposes. We do not enter into investments for trading or speculative purposes.

As of June 30, 2026, we had $32.5 million in secured indebtedness outstanding under the Amended Credit Agreement. The revolving line of credit bears interest at a rate of either (i) SOFR (subject to a 1.0% floor), plus 0.10%, plus a margin ranging from 2.25% to 2.75% based on the Company’s Consolidated Senior Net Leverage Ratio or (ii) ABR (subject to a 2.0% floor) plus a margin ranging from 1.25% to 1.75% based on the Company’s Consolidated Senior Net Leverage Ratio. Refer to Note 5 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report).

We have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our financial statements.

Foreign Currency Exchange Risk

We are not currently subject to significant foreign currency exchange risk as our U.S. and international sales are predominantly denominated in U.S. dollars. However, we have some foreign currency risk related to a small amount of sales denominated in Canadian dollars, Euros and British pounds. Sales denominated in foreign currencies reflect the prevailing U.S. dollar exchange rate on the date of invoice for such sales. Decreases in the relative value of the U.S. dollar to these foreign currencies may negatively affect revenue and other operating results as expressed in U.S. dollars. We do not believe that an immediate 10% increase or decrease in the relative value of the U.S. dollar to the applicable foreign currencies would have a material effect on operating results.

We have not engaged in the hedging of foreign currency transactions to date. However, as our international operations expand, our foreign currency exchange risk may increase. If our foreign currency exchange risk increases in the future, we may evaluate the costs and benefits of initiating a foreign currency hedge program in connection with non-U.S. dollar denominated transactions.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer ("CEO") who is also serving as our interim principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of June 30, 2026. Based on such evaluation, our CEO and interim principal financial officer has concluded that as of June 30, 2026, our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our CEO and interim principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal controls

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

Inherent limitations of internal controls

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management does not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within our company will have been detected.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

See Note 7 of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for information regarding certain legal proceedings in which we are involved, which is incorporated by reference into this Part II, Item 1.

Item 1A. Risk Factors

Other than the risk factors set forth below, there have been no material changes from the risk factors disclosed in our Annual Report (under the heading “Risk Factors”) in response to Part 1, Item 1A of the Form 10-K.

We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long-term stockholder value. Share repurchases could also affect the trading price of our stock and increase its volatility and could materially impact our liquidity.

Our board of directors (the “Board”) has approved a share repurchase program to repurchase up to $50 million of our Class A common stock from time to time in the open market, in privately negotiated transactions, through block purchases, through Rule 10b5-1 trading plans, or by any combination of such methods (the “Share Repurchase Program”). Although the Board has authorized the Share Repurchase Program, such authorization does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares.

The actual timing, manner, price and total amount of future repurchases will depend on a variety of factors, including business, economic and market conditions, corporate and regulatory requirements, prevailing stock prices, restrictions under the terms of our Amended Credit Agreement and other considerations. Our Share Repurchase Program is subject to significant market timing and valuation risks that could result in suboptimal capital allocation and adverse impacts on shareholder value. We may repurchase shares at prices that subsequently prove to have been excessive relative to the intrinsic value of our stock, particularly during periods of market volatility or when our stock price is trading at elevated multiples. Market conditions, investor sentiment, and macroeconomic and geopolitical factors beyond our control can cause substantial fluctuations in our stock price, making it difficult to determine optimal timing and pricing for repurchases. Our repurchase decisions are based on management's assessment of various factors, including stock price, market conditions, available cash, and alternative investment opportunities, but these assessments may prove incorrect.

The Share Repurchase Program may be modified, suspended, or terminated at any time, and we cannot guarantee that the program will be fully consummated or that it will enhance long-term stockholder value. The Share Repurchase Program could affect the trading price of our stock and increase its volatility, and any announcement of a termination of this program may result in a decrease in the trading price of our stock. In addition, the Share Repurchase Program could materially diminish our cash and cash equivalents and marketable securities and adversely impact our overall liquidity position.

Our workforce reduction plan may not achieve the anticipated benefits and could adversely affect our business, results of operations and financial condition.

In July 2026, our Board approved the Plan to streamline our organizational structure and align our cost base with our strategic priorities, including our ongoing investments in AI-powered social intelligence. The Plan involves a reduction of approximately 20% of our workforce, or approximately 260 employees. We estimate that we will incur total pre-tax restructuring charges of approximately $18.0 million to $20.0 million in connection with the Plan, consisting primarily of cash expenditures related to employee severance payments and benefits. These estimates are preliminary, and we may incur charges that are materially higher than currently anticipated due to factors that are beyond our control, including the outcome of any required consultations or proceedings with employee representative bodies, governmental authorities or other third parties in certain jurisdictions, as well as potential legal claims by affected employees.

There can be no assurance that the Plan will achieve the expected cost savings, operational efficiencies or organizational benefits on the anticipated timeline, or at all. The Plan may result in unintended consequences, including loss of institutional knowledge and expertise, reduced productivity, disruption to ongoing projects and customer relationships, and delays in our product development roadmap. We may further discover that, despite the savings realized from the Plan, we may require additional capital to continue expanding our business, and we may be unable to obtain such capital on acceptable terms, if at all. If we are unable to successfully implement the Plan and realize the anticipated benefits, or if we incur costs materially in excess of our current estimates, our business, our results of operations and financial condition could be materially and adversely affected.

The Plan may also impair our ability to attract, retain and motivate qualified employees, including key personnel and highly skilled technical talent, as remaining employees may experience decreased morale, increased uncertainty and higher voluntary attrition, and our reputation as an employer of choice may be diminished. In addition, the workforce reduction could disrupt our product development, customer experience and strategic initiatives, including our investments in AI-powered social intelligence, which could compromise our pace of innovation, platform reliability and customer retention.

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

Share Repurchase Program

On May 7, 2026, the Company announced that the Board authorized the Share Repurchase Program under which the Company may repurchase up to $50 million of its Class A common stock. The Share Repurchase Program authorizes the Company to repurchase its Class A common stock from time to time in the open market, in privately negotiated transactions, through block purchases, through Rule 10b5-1 trading plans, or by any combination of such methods, all in accordance with applicable securities laws and regulations. The timing and amount of any repurchase will be determined by the Company's management at its discretion and will depend on a variety of factors, including but not limited to the market price of the Company’s Class A common stock, general business and market conditions, alternative investment opportunities and funding considerations. The Share Repurchase Program does not obligate the Company to repurchase any particular amount of Class A common stock, has no set termination date and may be modified, suspended or discontinued at any time at the Board’s discretion.

There were no repurchases of shares during the three months ended June 30, 2026.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During the fiscal quarter ended June 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated “Rule 10b5-1 trading arrangements” (as defined in Item 408 of Regulation S-K of the Exchange Act), which are intended to satisfy the affirmative defense conditions under 10b5-1(c) under the Exchange Act.

Our officers (as defined in Rule 16a-1(f) under the Exchange Act) have entered into sell-to-cover arrangements adopted pursuant to Rule 10b5-1, authorizing the pre-arranged sale of shares to satisfy tax withholding obligations of the Company arising exclusively from the vesting of restricted stock units and the related issuance of shares. The amount of shares to be sold to satisfy the Company’s tax withholding obligations under these arrangements is dependent on future events which cannot be known at this time, including the future trading price of the Company’s Class A common stock. The expiration date relating to these arrangements is dependent on future events which cannot be known at this time, including the final vest date of the applicable restricted stock units and the officer’s termination of service.

Amendments to Amended and Restated Bylaws

On August 3, 2026, our Board adopted amendments to our Amended and Restated Bylaws (the “Amended Bylaws”), effective immediately. The amendments, (i) clarify and expand the information we may request to assess the eligibility and qualifications of stockholder-nominated director candidates, (ii) expressly authorize the Board or an authorized committee to determine, before a stockholder meeting, whether stockholder director nominations and proposed business comply with our advance-notice bylaws, and (iii) define “affiliates” and “associates” by reference to Rule 405 under the Securities Act of 1933 for purposes of the advance-notice provisions. The Amended Bylaws also include certain conforming and administrative changes.

The foregoing description is qualified in its entirety by reference to the Amended Bylaws, filed as Exhibit 3.2 to this Quarterly Report on Form 10-Q.

Item 6. Exhibits

INDEX TO EXHIBITS

3.1	Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to Sprout Social's Current Report on Form 8-K (File No. 001-39156) filed on December 17, 2019).
3.2	Amended and Restated Bylaws of the Registrant, effective as of August 3, 2026.
10.1	Offer Letter, dated July 28, 2026, between Sprout Social, Inc. and Aaron Rankin.
31.1	Certifications of Chief Executive Officer and Interim Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certifications of Chief Executive Officer and Interim Principal Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following information from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows and (vi) Notes to Condensed Consolidated Financial Statements
104	The cover page from the Quarterly Report on Form 10-Q, formatted as Inline XBRL.

____

* Furnished, not filed.

SIGNATURE

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.

		Sprout Social, Inc.
August 7, 2026	By:	/s/ Ryan Barretto
		Ryan Barretto
		Chief Executive Officer and Member of the Board of Directors
		(Principal Executive Officer and Interim Principal Financial and Accounting Officer)

AMENDED AND RESTATED BYLAWS

OF

SPROUT SOCIAL, INC.

Adopted on August 3, 2026

TABLE OF CONTENTS

ARTICLE I
STOCKHOLDERS

1.1 Place of Meetings. All meetings of stockholders shall be held at such place, if any, as may be designated from time to time by the Board of Directors (the "Board") of Sprout Social, Inc. (the "Corporation"), the Chairman of the Board or the Chief Executive Officer or, if not so designated, at the principal office of the Corporation.

1.2 Annual Meeting. The annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly be brought before the meeting shall be held on a date and at a time designated by the Board, the Chairman of the Board or the Chief Executive Officer. The Board may postpone, recess, reschedule or cancel any previously scheduled annual meeting of stockholders.

1.3 Special Meetings. Special meetings of stockholders for any purpose or purposes may be called at any time by only the Board, the Chairman of the Board or the Chief Executive Officer, and may not be called by any other person or persons. Business transacted at any special meeting of stockholders shall be limited to matters relating to the purpose or purposes stated in the notice of meeting. The Corporation may postpone, reschedule or cancel any previously scheduled meeting of stockholders.

1.4 Notice of Meetings. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, notice of each meeting of stockholders, whether annual or special, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. Without limiting the manner by which notice otherwise may be given to stockholders, any notice to stockholders given by the Corporation shall be effective if given by electronic transmission in accordance with the General Corporation Law of the State of Delaware (the "DGCL"). The notices of all meetings shall state the place, if any, date and time of the meeting, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting). The notice of a special meeting shall state, in addition, the purpose or purposes for which the meeting is called. If notice is given by mail, such notice shall be deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. If notice is given by electronic transmission, such notice shall be deemed given at the time specified in Section 232 of the DGCL.

1.5 Voting List. The Corporation shall prepare no later than the tenth day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of ten (10) days ending on the day before the meeting date: (a) on a reasonably accessible electronic network. provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.5 or to vote in person or by proxy at any meeting of stockholders.

1.6 Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the holders of a majority in voting power of the shares of the capital stock of the Corporation issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum for the transaction of business; provided, however, that where a separate vote by a class or classes or series of capital stock is required by law or the Certificate of Incorporation, the holders of a majority in voting power of the shares of such class or classes or series of the capital stock of the Corporation issued and outstanding and entitled to vote on such matter, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to the vote on such matter. A quorum, once established at a meeting, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

1.7 Adjournments. Any meeting of stockholders may be adjourned from time to time to any other time and to the same or some other place at which a meeting of stockholders may be held under these Bylaws by the Board, the chairman of the meeting or, if directed to be voted on by the chairman of the meeting, by a majority of the votes cast by stockholders present or represented at the meeting and entitled to vote thereon, although less than a quorum. It shall not be necessary to notify any stockholder of any adjournment (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) of thirty
(30) days or less if the time and place, if any, of the adjourned meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are (i) announced at the meeting at which adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (iii) set forth in the notice of meeting, unless after the adjournment a new record date is fixed for determination of stockholders entitled to vote at the adjourned meeting (in which case the Board shall fix the same or an earlier date as the record date for determining stockholders entitled to notice of such adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record as of such date). At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting.

1.8 Voting and Proxies. Each stockholder of record entitled to vote at a meeting of stockholders may vote in person or may authorize another person or persons to vote for such stockholder by proxy. No such proxy shall be voted upon after three years from its date, unless the proxy expressly provides for a longer period.

1.9 Action at Meeting. When a quorum is present at any meeting, any matter other than the election of directors to be voted upon by the stockholders at such meeting shall be decided by a majority of the votes cast by the holders of all of the shares of stock present in person or represented by proxy at the meeting and voting affirmatively or negatively on such matter (or if one or more class, classes or series of stock are entitled to vote as a separate class or series, then a majority of the votes cast by the holders of the shares of stock of such class, classes or series entitled to vote as a separate class or series present or represented by proxy at the meeting and voting affirmatively or negatively on such matter), except when a different or minimum vote is required by law, regulation applicable to the Corporation or its securities, the rules or regulations of any stock exchange applicable to the Corporation, the Certificate of Incorporation or these Bylaws, in which case, such different or minimum vote shall be the applicable vote on the matter. When a quorum is present at any meeting, any election by stockholders of directors shall be determined by a plurality of the votes cast by the stockholders entitled to vote on the election.

1.10 Nomination of Directors.

(A) Except for any directors entitled to be elected by the holders of preferred stock, at any meeting of stockholders, only persons who are nominated in accordance with the procedures in this Section l.10 shall be eligible for election as directors. Nominations of persons for election to the Board at an annual meeting of stockholders or a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting may be made (i) by or at the direction of the Board or any duly authorized committee thereof or (ii) by any stockholder of the Corporation who (x) timely complies with the notice procedures in Section 1.10(B), (y) is a stockholder of record on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such meeting and (z) is entitled to vote at such meeting and on such election.

(B) To be timely, a stockholder's notice must be received in writing by the Secretary at the principal executive offices of the Corporation as follows: (i) in the case of an election of directors at an annual meeting of stockholders, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than seventy (70), from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received not earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which public disclosure of the date of such annual meeting is first made; or (ii) in the case of an election of directors at a special meeting of stockholders. provided that directors are to be elected at such special meeting as set forth in the Corporation's notice of meeting and provided further that the nomination made by the stockholder is for one of the director positions that the notice of meeting states will be filled at such special meeting, not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of (x) the 90th day prior to such special meeting and (y) the tenth day following the day on which public disclosure of the date of such special meeting for the election of directors is first made. The number of nominees a stockholder may nominate for election at a meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such meeting. In no event shall the adjournment or postponement of a meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the Secretary shall set forth: (A) as to each proposed nominee (1) such person's name, age, business address and, if known, residence address, (2) such person's principal occupation or employment, (3) the class(es) and series and number of shares of stock of the Corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among (x) the stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and the respective affiliates and associates of,such stockholder and such beneficial owner, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any affiliate or associate thereof were the "registrant" for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, and (5) any other information concerning such person that must be disclosed as to nominees in proxy solicitations or provided to the Corporation pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made (l) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (2) the class(es) and series and number of shares of stock of the Corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any agreement, arrangement or understanding between or among such stockholder and/or such beneficial owner and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are being made or who may participate in the solicitation of proxies in favor of electing such nominee(s), (4) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder or such beneficial owner, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or such beneficial owner with respect to shares of stock of the Corporation, (5) any other information relating to such stockholder and such beneficial owner that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors or provided to the Corporation in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (6) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and on such election and intends to appear in person or by proxy at the meeting to nominate the person(s) named in its notice and (7) a representation whether such stockholder and/or such beneficial owner intends or is part of a group which intends (x) to solicit proxies from the required number of the Corporation's voting shares in support of any proposed nominee in accordance with and as required by Rule 14a-19 promulgated under the Exchange Act, (y) to deliver, or make available, a proxy statement and/or form of proxy to such number of holders of the Corporation's voting shares that would be sufficient to elect the nominee (and such representation shall be included in any such proxy statement and form of proxy) and/or (z) otherwise to solicit proxies or votes from stockholders in support of such nomination (and such representation shall be included in any such solicitation materials). The stockholder giving the notice shall update and supplement its notice to the Corporation so that the information provided or required to be provided in such notice pursuant to Items (A)(1)-(5) and (B)(1)-(5) of the prior sentence shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof(and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as often (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any nomination or to submit any new nomination.

In addition, to be effective, the stockholder's notice must be accompanied by the written consent of the proposed nominee to serve as a director if elected and to being named in the Corporation's proxy statement and associated proxy card as a nominee of the stockholder. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine whether such proposed nominee is qualified under the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation to serve as a director and/or independent director of the Corporation. A stockholder shall not have complied with this Section 1.10(B) if the stockholder (or beneficial owner, if any, on whose behalf the nomination is made) solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder's nominee in contravention of the representations with respect thereto required by this Section 1.10.

(C) The chairman of any meeting (or, in advance of any meeting of stockholders, the Board or an authorized committee thereof) shall determine whether a nomination was made in accordance with the provisions of this Section 1.10 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 1.10), and if a nomination was not made in accordance with the provisions of this Section l.10, declare that such nomination shall not be brought before the meeting. Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by law, if any stockholder or beneficial owner (i) provides notice pursuant to Rule l4a-19(b) promulgated under the Exchange Act with respect to any proposed nominee and (ii) subsequently fails to comply with the requirements of Rule 14a-19 promulgated under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such stockholder or beneficial owner, as applicable, has met the requirements of Rule 14a-l9(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then the nomination of each such proposed nominee shall be disregarded, notwithstanding that such nomination is set forth in the notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of the election of such proposed nominee may have been received by the Corporation (which proxies and votes shall be disregarded). Upon request by the Corporation, if any stockholder or beneficial owner provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such stockholder or beneficial owner shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(D) Except as otherwise required by law, nothing in this Section 1.10 shall obligate the Corporation or the Board to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board information with respect to any nominee for director submitted by a stockholder.

(E) Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination, such nomination shall not be brought before the meeting, notwithstanding that such nomination is set forth in the notice of meeting or other proxy material and notwithstanding that proxies in respect of such nominee may have been received by the Corporation. For purposes of this Article I, to be considered a "qualified representative" of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of stockholders.

(F) For purposes of this Article l, "public disclosure" shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act. For purposes of this Section 1.10 and Section 1.11, "affiliates" and "associates" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended.

(G) Notwithstanding anything in this Section 1.10 to the contrary, in the event that the number of directors to be elected to the Board at any annual meeting is increased effective after the time period for which nominations would otherwise be due under Section 1.10(B) and there is no public disclosure by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by Section 1.10(B) with respect nominations for such annual meeting shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public disclosure is first made by the Corporation.

(H) In addition to the requirements set forth elsewhere in these Bylaws, such proposed nominee or a person on such proposed nominee's behalf must deliver (in accordance with the time periods for delivery of timely notice under this Section 1.10), to the Secretary of the Corporation at the principal executive offices of the Corporation a completed and signed questionnaire with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such proposed nominee (i) is not and will not become a party to (x) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such proposed nominee, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or (y) any Voting Commitment that could limit or interfere with such proposed nominee's fiduciary duties under applicable law, (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the

Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed to the Corporation, and (iii) would be in compliance, if elected as a director of the Corporation, and will comply with, all applicable publicly disclosed corporate governance, code of conduct and ethics, conflict of interest, confidentiality, corporate opportunities, trading and any other policies and guidelines of the Corporation applicable to directors.

1.11 Notice of Business to be Brought Before a Meeting.

(A) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business (other than the nominations of persons for election to the Board) must constitute a proper matter for stockholder action and must be (i) specified in a notice of meeting given by or at the direction of the Board or any duly authorized committee thereof, (ii) if not specified in a notice of meeting, otherwise brought before the meeting by the Board or any duly authorized committee thereof or the Chairman of the Board or (iii) otherwise properly brought before the meeting by a stockholder who (A) (1) was a stockholder of record of the Corporation both at the time of giving the notice provided for in this Section 1.11 and at the time of the meeting, (2) is entitled to vote at the meeting, and (3) has complied with this Section 1.11 in all applicable respects or (B) properly made such proposal in compliance with Rule 14a-8 under the Exchange Act. The foregoing clause (iii) shall be the exclusive means for a stockholder to propose business to be brought before an annual meeting of the stockholders. Notwithstanding anything herein to the contrary, unless otherwise required by law, if a stockholder seeking to bring business before an annual meeting pursuant to clause (iii) of this Section 1.11(A) (or a qualified representative of the stockholder) does not appear at the meeting to present the proposed business, such proposed business shall not be transacted, notwithstanding that such proposal is set forth in the notice of meeting and notwithstanding that proxies in respect of such proposed business may have been received by the Corporation.

(B) Without qualification, for business to be properly brought before an annual meeting by a stockholder, the stockholder must (i) provide Timely Notice (as defined below) thereof in writing and in proper form to the Secretary of the Corporation and (ii) provide any updates or supplements to such notice at the times and in the forms required by this Section 1.11. To be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the

Corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the one-year anniversary of the preceding year's annual meeting; provided, however, that if the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder to be timely must be so received not earlier than the 120th day prior to such annual meeting and not later than the 90th day prior to such annual meeting or, if later, the tenth day following the day on which public disclosure of the date of such annual meeting was first made (such notice within such time periods, "Timely Notice"). In no event shall any adjournment or postponement of an annual meeting or the announcement thereof commence a new time period (or extend any time period) for the giving of Timely Notice as described above.

(C) To be in proper form for purposes of this Section 1.11, a stockholder's notice to the Secretary shall set forth:

(i) As to each Proposing Person (as defined below), (A) the name and address of such Proposing Person (including, if applicable, the name and address that appear on the Corporation's books and records); and (B) the class(es) and series and number of shares of the Corporation that are, directly or indirectly, owned of record and beneficially owned (within the meaning of Rule 13d-3 under the Exchange Act) by such Proposing Person, except that such Proposing Person shall in all events be deemed to beneficially own any shares of any class or series of the Corporation as to which such Proposing Person has a right to acquire beneficial ownership at any time in the future (the disclosures to be made pursuant to the foregoing clauses (A) and (B) are referred to as "Stockholder Information"); As to each Proposing Person, (A) the full notional amount of any securities that, directly or indirectly, underlie any "derivative security" (as such term is defined in Rule l6a-l (c) under the Exchange Act) that constitutes a "call equivalent position" (as such term is defined in Rule l6a-l (b) under the Exchange Act) ("Synthetic Equity Position") and that is, directly or indirectly, held or maintained by such Proposing Person with respect to any shares of any class(es) or series of shares of the Corporation; provided that, for the purposes of the definition of "Synthetic Equity Position," the term "derivative security" shall also include any security or instrument that would not otherwise constitute a "derivative security" as a result of any feature that would make any conversion, exercise or similar right or privilege of such security or instrument becoming determinable only at some future date or upon the happening of a future occurrence, in which case the determination of the amount of securities into which such security or instrument would be convertible or exercisable shall be made assuming that such security or instrument is immediately convertible or exercisable at the time of such determination; and, provided, further, that any Proposing Person satisfying the requirements of Rule 13d-l (b)(1) under the Exchange Act (other than a Proposing Person that so satisfies Rule 13d-l(b)(l) under the Exchange Act solely by reason of Rule l3d-l (b)(l)(ii)(E)) shall not be deemed to hold or maintain the notional amount of any securities that underlie a Synthetic Equity Position held by such Proposing Person as a hedge with respect to a bona fide derivatives trade or position of such Proposing Person arising in the ordinary course of such Proposing Person's business as a derivatives dealer, (B) any rights to dividends on the shares of any class or series of shares of the Corporation owned beneficially by such Proposing Person that are separated or separable from the underlying shares of the Corporation, (C) any material pending or threatened legal proceeding in which such Proposing Person is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (D) any other material relationship between such Proposing Person, on the one hand, and the Corporation and any affiliate of the Corporation, on the other hand, (E) any direct or indirect material interest in any material contract or agreement of such Proposing Person with the Corporation or any affiliate of the Corporation (including, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (F) a representation that such stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (G) a representation that such Proposing Person intends or is part of a group which intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or otherwise solicit proxies or votes from stockholders in support of such proposal and (H) any other information relating to such Proposing Person that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (A) through (G) are referred to as "Disclosable Interests"); provided, however, that Disclosable Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner; and

(ii) As to each item of business that the stockholder proposes to bring before the annual meeting, (A) a brief description of the business desired to be brought before the annual meeting, the reasons for conducting such business at the annual meeting and any material interest in such business of each Proposing Person, (B) the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend these Bylaws, the language of the proposed amendment), and (C) a reasonably detailed description of all agreements, arrangements and understandings (x) between or among any of the Proposing Persons or (y) between or among any Proposing Person and any other record or beneficial holder(s) of shares of capital stock of the Corporation or persons(s) who have a right to acquire beneficial ownership at any time in the future of the shares of any class or series of the Corporation (including their names) in connection with the proposal of such business by such stockholder; and (D) any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act; provided, however, that the disclosures required by this paragraph (iii) shall not include any disclosures with respect to any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder directed to prepare and submit the notice required by these Bylaws on behalf of a beneficial owner.

For purposes of this Section 1.11, the term "Proposing Person" shall mean (i) the stockholder providing the notice of business proposed to be brought before an annual meeting,
(ii) the beneficial owner or beneficial owners, if different, on whose behalf the notice of the business proposed to be brought before the annual meeting is made, and (iii) any participant (as defined in paragraphs (a)(ii)-(vi) of instruction 3 to Item 4 of Schedule 14A) with such stockholder in such solicitation.

(D) A Proposing Person shall update and supplement its notice to the Corporation of its intent to propose business at an annual meeting, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 1.11 (except the information provided or required to be provided under Section 1.11(C)(ii)(F)-(G)) shall be true and correct as of the record date for stockholders entitled to vote at the meeting and as of the date that is ten (10) business days prior to the meeting or any adjournment or postponement thereof, and such update and supplement shall be delivered to, or mailed and received by, the Secretary at the principal executive offices of the Corporation not later than five (5) business days after the record date for stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of such record date), and not later than eight (8) business days prior to the date for the meeting or, if practicable, any adjournment or postponement thereof (and, if not practicable, on the first practicable date prior to the date to which the meeting has been adjourned or postponed) (in the case of the update and supplement required to be made as often (10) business days prior to the meeting or any adjournment or postponement thereof). For the avoidance of doubt, the obligation to update and supplement as set forth in this paragraph or any other Section of these Bylaws shall not limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, extend any applicable deadlines hereunder or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or to submit any new proposal, including by changing or adding matters, business or resolutions proposed to be brought before a meeting of the stockholders.

(E) Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at an annual meeting that is not properly brought before the meeting in accordance with this Section 1.11. The chairman of the meeting (or, in advance of any meeting of stockholders, the Board or an authorized committee thereof) shall determine whether any proposed business was brought in accordance with the provisions of this Section 1.11, and if the business was not properly brought before the meeting in accordance with this Section 1.11, declare that such business shall not be transacted.

(F) This Section 1.11 is expressly intended to apply to any business proposed to be brought before an annual meeting of stockholders other than any proposal made in accordance with Rule 14a-8 under the Exchange Act and included in the Corporation's proxy statement. In addition to the requirements of this Section 1.11 with respect to any business proposed to be brought before an annual meeting, each Proposing Person shall comply with all applicable requirements of the

Exchange Act with respect to any such business. Nothing in this Section 1.11 shall be deemed to affect the rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule l4a-8 under the Exchange Act.

1.12 Conduct of Meetings.

(A) Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the Chairman's absence by the Vice Chairman of the Board, if any, or in the Vice Chairman's absence by the Chief Executive Officer, or in the Chief Executive Officer's absence, by the President, or in the President's absence by a Vice President, or in the absence of all of the foregoing persons by a chairman designated by the Board. The Secretary shall act as secretary of the meeting, but in the Secretary's absence the chairman of the meeting may appoint any person to act as secretary of the meeting. The Board may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the Corporation as it shall deem appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the Board, the chairman of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting;
(ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as shall be determined; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(B) The chairman of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(C) In advance of any meeting of stockholders, the Board, the Chairman of the Board or the Chief Executive Officer shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and, when the vote is completed, shall certify their determination of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.

1.13 No Action by Consent in Lieu of a Meeting. Stockholders of the Corporation may not take any action by written consent in lieu of a meeting.

ARTICLE II
DIRECTORS

2.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board, who may exercise all of the powers of the Corporation except as otherwise provided by law or the Certificate of Incorporation.

2.2 Number, Election, Term and Qualification. The total number of directors constituting the Board shall be as fixed in, or in the manner provided by, the Certificate of Incorporation. Election of directors need not be by written ballot. The term of office of each director shall be as specified in the Certificate of Incorporation.

2.3 Chairman of the Board; Vice Chairman of the Board. The Board may appoint from its members a Chairman of the Board and a Vice Chairman of the Board, neither of whom need be an employee or officer of the Corporation. If the Board appoints a Chairman of the Board, such Chairman shall perform such duties and possess such powers as are assigned by the Board and, if the

Chairman of the Board is also designated as the Corporation's Chief Executive Officer, shall have the powers and duties of the Chief Executive Officer prescribed in Section 3.6 of these Bylaws. If the Board appoints a Vice Chairman of the Board, such Vice Chairman shall perform such duties and possess such powers as are assigned by the Board. Unless otherwise provided by the Board, the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board.

2.4 Terms of Office. Directors shall be elected for such terms and in the manner provided by the Certificate of Incorporation and applicable law. The term of each director shall continue until the election and qualification of his or her successor and be subject to his or her earlier death, resignation, disqualification or removal.

2.5 Quorum. The greater of (a) a majority of the directors at any time in office and (b) one-third of the number of directors established by the Board pursuant to Section 2.2 of these Bylaws shall constitute a quorum of the Board. If at any meeting of the Board there shall be less than a quorum, a majority of the directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present.

2.6 Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law, the Certificate of Incorporation or these Bylaws.

2.7 Removal. Directors of the Corporation may be removed in the manner specified by the Certificate of Incorporation and applicable law.

2.8 Newly Created Directorships; Vacancies. Any newly created directorship or vacancy on the Board, however occurring, shall be filled in accordance with the Certificate of Incorporation and applicable law.

2.9 Resignation. Any director may resign by delivering a resignation in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon delivery unless it is specified to be effective at some later time or upon the happening of some later event.

2.10 Regular Meetings. Regular meetings of the Board may be held without notice at such time and place as shall be determined from time to time by the Board: provided that any director who is absent when such a determination is made shall be given notice of the determination. A regular meeting of the Board may be held without notice immediately after and at the same place as the annual meeting of stockholders.

2.11 Special Meetings. Special meetings of the Board may be called by the Chairman of the Board, the Chief Executive Officer, the affirmative vote of a majority of the directors then in office, or by one director in the event that there is only a single director in office.

2.12 Notice of Special Meetings. Notice of the date, place and time of any special meeting of the Board shall be given to each director (a) in person or by telephone at least twenty-four (24) hours in advance of the meeting, (b) by sending written notice by reputable overnight courier, telecopy, facsimile, electronic mail or other means of electronic transmission, or delivering written notice by hand, to such director's last known business, home or means of electronic transmission address at least twenty-four (24) hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least seventy-two (72) hours in advance of the meeting. Such notice may be given by the Secretary or by the Chairman of the Board, the Chief Executive Officer or one of the directors calling the meeting. A notice or waiver of notice of a meeting of the Board need not specify the purposes of the meeting.

2.13 Meetings by Conference Communications Equipment. Directors may participate in meetings of the Board or any committee thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation by such means shall constitute presence in person at such meeting.

2.14 Action by Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent to the action in writing or by electronic transmission.

2.15 Committees. The Board may designate one or more committees, each committee to consist of one or more of the directors of the Corporation with such lawfully delegable powers and duties as the Board thereby confers, to serve at the pleasure of the Board. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members of the committee present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board and subject to the provisions of law, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation and may authorize the seal of the Corporation to be affixed to all papers which may require it. Each such committee shall keep minutes and make such reports as the Board may from time to time request. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

2.16 Compensation of Directors. Directors may be paid such compensation for their services and such reimbursement for expenses of attendance at meetings as the Board may from time to time determine. No such payment shall preclude any director from serving the Corporation or any of its parent or subsidiary entities in any other capacity and receiving compensation for such service.

ARTICLE III
OFFICERS

3.1 Titles. The officers of the Corporation may consist of a Chief Executive Officer, a President, a Chief Financial Officer, a Treasurer and a Secretary and such other officers with such other titles as the Board shall from time to time determine. The Board may appoint such other officers, including one or more Vice Presidents and one or more Assistant Treasurers or Assistant Secretaries, as it may deem appropriate from time to time.

3.2 Qualification. No officer need be a stockholder. Any two or more offices may be held by the same person.

3.3 Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, each officer shall hold office until such officer's successor is duly elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until such officer's earlier death, resignation, disqualification or removal.

3.4 Resignation and Removal. Any officer may resign by delivering a resignation in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some later time or upon the happening of some later event. Any officer may be removed at any time, with or without cause, by the affirmative vote of a majority of the directors then in office, so long as a quorum is present. Except as the Board may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless such compensation is expressly provided for in a duly authorized written agreement with the Corporation.

3.5 Vacancies. The Board may fill any vacancy occurring in any office. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is duly elected and qualified, or until such officer's earlier death, resignation, disqualification or removal.

3.6 President: Chief Executive Officer. Unless the Board has designated another person as the Corporation's Chief Executive Officer, the President shall be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall have general charge and supervision of the business of the Corporation subject to the direction of the Board, and shall perform all duties and have all powers that are commonly incident to the office of chief executive or that are delegated to such officer by the Board. The President shall perform such other duties and shall have such other powers as the Board or the Chief Executive Officer (if the President is not the Chief Executive Officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the Chief Executive Officer or the President (if the President is not the Chief Executive Officer), the Vice President (or if there shall be more than one, the Vice Presidents in the order determined by the Board) shall perform the duties of the Chief Executive Officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer.

3.7 Vice Presidents. Each Vice President shall perform such duties and possess such powers as the Board or the Chief Executive Officer may from time to time prescribe. The Board may assign to any Vice President the title of Executive Vice President, Senior Vice President or any other title selected by the Board.

3.8 Secretary and Assistant Secretaries. The Secretary shall perform such duties and shall have such powers as the Board or the Chief Executive Officer may from time to time prescribe. In addition, the Secretary shall perform such duties and have such powers as are incident to the office of the secretary, including without limitation the duty and power to give notices of all meetings of stockholders and special meetings of the Board, to attend all meetings of stockholders and the Board and keep a record of the proceedings, to maintain a stock ledger and prepare lists of stockholders and their addresses as required, to be custodian of corporate records and the corporate seal and to affix and attest to the same on documents.

Any Assistant Secretary shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Secretary may from time to time prescribe. In the event of the absence, inability or refusal to act of the Secretary, the Assistant Secretary (or if there shall be more than one, the Assistant Secretaries in the order determined by the Board) shall perform the duties and exercise the powers of the Secretary.

In the absence of the Secretary or any Assistant Secretary at any meeting of stockholders or directors, the chairman of the meeting shall designate a temporary secretary to keep a record of the meeting.

3.9 Treasurer and Assistant Treasurers. The Treasurer shall perform such duties and shall have such powers as may from time to time be assigned by the Board or the Chief Executive Officer. In addition, the Treasurer shall perform such duties and have such powers as are incident to the office of treasurer, including without limitation the duty and power to keep and be responsible for all funds and securities of the Corporation, to deposit funds of the Corporation in depositories selected in accordance with these Bylaws, to disburse such funds as ordered by the Board, to make proper accounts of such funds, and to render as required by the Board statements of all such transactions and of the financial condition of the Corporation.

The Assistant Treasurers shall perform such duties and possess such powers as the Board, the Chief Executive Officer or the Treasurer may from time to time prescribe. In the event of the absence, inability or refusal to act of the Treasurer, the Assistant Treasurer (or if there shall be more than one, the Assistant Treasurers in the order determined by the Board) shall perform the duties and exercise the powers of the Treasurer.

3.10 Salaries. Officers of the Corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the Board.

3.11 Delegation of Authority. The Board may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

ARTICLE IV
CAPITAL STOCK

4.1 Stock Certificates; Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board may provide by resolution or resolutions that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock of the Corporation represented by certificates shall be entitled to have a certificate, in such form as may be prescribed by law and by the Board, representing the number of shares held by such holder registered in certificate form. Each such certificate shall be signed in a manner that complies with Section 158 of the DGCL, and each officer appointed pursuant to Article III shall be an authorized officer for this purpose.

Each certificate for shares of stock which are subject to any restriction on transfer pursuant to the Certificate of Incorporation, these Bylaws, applicable securities laws or any agreement among any number of stockholders or among such holders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

If the Corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of each certificate representing shares of such class or series of stock, provided that in lieu of the foregoing requirements there may be set forth on the face or back of each certificate representing shares of such class or series of stock a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the DGCL or, with respect to Section 151 of the DGCL, a statement that the Corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

4.2 Transfers. Shares of stock of the Corporation shall be transferable in the manner prescribed by law, the Certificate of Incorporation and in these Bylaws. Transfers of shares of stock of the Corporation shall be made only on the books of the Corporation or by transfer agents designated to transfer shares of stock of the Corporation. Subject to applicable law, shares of stock represented by certificates shall be transferred only on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate representing such shares properly endorsed or accompanied by a written assignment or power of attorney properly executed, and with such proof of authority or the authenticity of signature as the Corporation or its transfer agent may reasonably require. Except as may be otherwise required by law, by the Certificate of Incorporation or by these Bylaws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect to such stock, regardless of any transfer, pledge or other disposition of such stock until the shares have been transferred on the books of the Corporation in accordance with the requirements of these Bylaws.

4.3 Lost, Stolen or Destroyed Certificates. The Corporation may issue a new certificate or uncertificated shares in place of any previously issued certificate alleged to have been lost, stolen or destroyed, upon such terms and conditions as the Board may prescribe, including the presentation of reasonable evidence of such loss, theft or destruction and the giving of such indemnity and posting of such bond sufficient to indemnify the Corporation against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate or uncertificated shares.

4.4 Record Date. The Board may fix in advance a date as a record date for the determination of the stockholders entitled to notice of any meeting of stockholders, or entitled to receive payment of any dividend or other distribution or allotment of any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action. Such record date shall not precede the date on which the resolution fixing the record date is adopted, and such record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action to which such record date relates. If the Board so fixes a record date for determining the stockholders entitled to notice of any meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day before the day on which notice is given, or, if notice is waived, at the close of business on the day before the day on which the meeting is held. If no record date is fixed, the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating to such purpose.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

4.5 Regulations. The issue, conversion and registration of shares of stock of the Corporation shall be governed by such other regulations as the Board may establish.

ARTICLE V
GENERAL PROVISIONS

5.1 Fiscal Year. Except as from time to time otherwise designated by the Board, the fiscal year of the Corporation shall begin on the first day of January of each year and end on the last day of December in each year.

5.2 Corporate Seal. The corporate seal shall be in such form as shall be approved by the Board.

5.3 Waiver of Notice. Whenever notice is required to be given by law, by the Certificate of Incorporation or by these Bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

5.4 Voting of Securities. Except as the Board may otherwise designate, the Chief Executive Officer, the President, the Chief Financial Officer or the Treasurer may waive notice, vote, consent, or appoint any person or persons to waive notice, vote or consent, on behalf of the Corporation, and act as, or appoint any person or persons to act as, proxy or attorney-in-fact for the Corporation (with or without power of substitution and re-substitution), with respect to the securities of any other entity which may be held by this Corporation.

5.5 Evidence of Authority. A certificate by the Secretary, or an Assistant Secretary, or a temporary Secretary, as to any action taken by the stockholders, directors, a committee or any officer or representative of the Corporation shall as to all persons who rely on the certificate in good faith be conclusive evidence of such action.

5.6 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and/or restated and in effect from time to time, including any certificate of designation relating to any outstanding series of preferred stock.

5.7 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these Bylaws.

5.8 Pronouns. All pronouns used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter, singular or plural, as the identity of the person or persons may require.

5.9 Electronic Transmission. For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, including the use of, or participation in, one or more electronic networks or databases (including one or more distributed electronic networks or databases) that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

ARTICLE VI
AMENDMENTS

These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the Board or by the stockholders as expressly provided in the Certificate of Incorporation.

ARTICLE VII
INDEMNIFICATION AND ADVANCEMENT

7.1 Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation. Subject to Section 7.3, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person's conduct was unlawful.

7.2 Power to Indemnify in Actions. Suits or Proceedings by or in the Right of the Corporation. Subject to Section 7.3, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be Liable to the Corporation unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

7.3 Authorization of Indemnification. Any indemnification under this Article VII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 7.1 or Section 7.2, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination,(i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding set forth in Section 7.1 or Section 7.2 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

7.4 Good Faith Defined. For purposes of any determination under Section 7.3, a person shall, to the fullest extent permitted by law, be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on good faith reliance on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The term "another enterprise" as used in this Section 7.4 shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. The provisions of this Section 7.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 7.1 or 7.2, as the case may be.

7.5 Right of Claimant to Bring Suit. Notwithstanding any contrary determination in the specific case under Section 7.3, and notwithstanding the absence of any determination thereunder, if (i) following the final disposition of the applicable proceeding, a claim for indemnification under Sections 7.1 or 7.2 of this Article VII is not paid in full by the Corporation within ninety (90) days after the later of a written claim for indemnification has been received by the Corporation, or (ii) a claim for advancement of expenses under Section 7.6 of this Article VII is not paid in full by the Corporation within thirty (30) days after the Corporation has received a statement or statements requesting such amounts to be advanced, the claimant may at any time thereafter (but not before) bring suit against the Corporation in the Court of Chancery in the State of Delaware to recover the unpaid amount of the claim, together with interest thereon, or to obtain advancement of expenses, as applicable. It shall be a defense to any such action brought to enforce a right to indemnification (but not in an action brought to enforce a right to an advancement of expenses) that the claimant has not met the standards of conduct which make it permissible under the DGCL (or other applicable law) for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither a contrary determination in the specific case under Section 7.3 nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the claimant has not met any applicable standard of conduct. If successful, in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim, including reasonable attorneys' fees incurred in connection therewith, to the fullest extent permitted by applicable law.

7.6 Expenses Payable in Advance. Expenses, including without limitation attorneys' fees, incurred by a current or former director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding to which such person is a party or is threatened to be made a party by reason of the fact that such person is or was a director or officer of the Corporation, or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such current or former director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VII or otherwise.

7.7 Nonexclusivity of Indemnification and Advancement of Expenses. The rights to indemnification and advancement of expenses provided by or granted pursuant to this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that, subject to Section 7.11, indemnification of the persons specified in Sections 7.1 and 7.2 shall be made to the fullest extent permitted by law. The provisions of this Article VII shall not be deemed to preclude the indemnification of any person who is not specified in Section 7.1 or 7.2 but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise.

7.8 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VII.

7.9 Certain Definitions. For purposes of this Article VII, references to "the Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, employees or agents so that any person who is or was a director or officer of such constituent corporation, or, while a director or officer of such constituent corporation, is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, shall stand in the same position under the provisions of this Article VII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. For purposes of this Article VII, references to "fines" shall include any excise taxes assessed on a person with respect of any employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VII.

7.10 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article Vll shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

7.11 Limitation on Indemnification. Notwithstanding anything contained in this Article VII to the contrary, except for proceedings to enforce rights to indemnification or advancement of expenses (which shall be governed by Section 7.5), the Corporation shall not be obligated to indemnify any current or former director or officer in connection with an action, suit proceeding (or part thereof) initiated by such person unless such action, suit or proceeding (or part thereof) was authorized by the Board.

7.12 Contract Rights. The obligations of the Corporation under this Article VII to indemnify, and advance expenses to, a person who is or was a director or officer of the Corporation shall be considered a contract between the Corporation and such person, and no modification or repeal of any provision of this Article VII shall affect, to the detriment of such person, such obligations of the Corporation in connection with a claim based on any act or failure to act occurring before such modification or repeal.

July 28, 2026

Aaron Rankin
[Address Redacted]

Re: Employment Terms

Dear Aaron:

Sprout Social, Inc. (the "**Company**") is pleased to offer you employment beginning on August 3, 2026 (the "**Start Date**").

Position

Your initial position will be Chief Technology Officer, responsible for performing such duties as are assigned to you from time to time, reporting to Ryan Barretto, Chief Executive Officer. Of course, the Company may change your position, duties, and work location from time to time at its discretion.

Compensation and Benefits

Your initial base salary will be paid at the rate of $430,000 per year, less payroll deductions and withholdings, paid on the Company's normal payroll schedule.

With respect to each fiscal year of the Company commencing with 2026, you will also be eligible to earn an annual cash performance-based bonus, which shall be targeted at 60% of your base salary. The amount of this bonus will be based on the achievement of Company and/or individual performance objectives, in each case, that are established by the Company in its sole discretion for the applicable performance period. Notwithstanding anything to the contrary herein, your bonus, if any, may be below (including zero), at, or above, the target amount based upon the achievement of the performance goals, as determined by the Company in its sole discretion.

Currently, a portion of the bonus, to the extent earned, is paid quarterly and a portion of the bonus, to the extent earned, is paid annually, in each case, following certification of the applicable performance objectives, which payment timing and performance period is subject to change as determined by the Company. In any event, the Company will pay you this bonus, if any, no later than March 15th of the calendar year following the year to which it relates. The bonus is not earned until paid, and no pro-rated amount will be paid if your employment terminates for any reason prior to the payment date.

With respect to the quarterly component for the third quarter of 2026 and the annual component for fiscal year 2026, your bonus will be prorated based on your start date.

During your employment, you will be eligible to participate in the benefits plans offered to similarly situated employees by the Company from time to time, subject to plan terms and generally applicable Company policies. Currently, exempt employees do not accrue vacation. Since vacation is not allotted or accrued, no "unused" vacation time will be carried over from one year to the next nor paid out upon termination. A full description of current benefits is available for your review. The Company may change compensation and benefits from time to time at its discretion.

Equity

Subject to approval by the Board, the Company anticipates granting you an award of restricted stock units ("**RSUs**") pursuant to the Sprout Social, Inc. 2019 Incentive Award Plan (the "**Plan**") with a target value of $1,000,000. The number of RSUs granted will be calculated by dividing the target grant value by the average closing price of a share of the Company's Class A common stock over the prior thirty days inclusive of the grant date. The RSUs will be subject to the following vesting schedule: 1/2 of the total RSUs will vest on September 1, 2027, and 1/8th of the total RSUs will vest on each quarterly anniversary of September 1, 2027 thereafter, subject to your continuous service (as defined in the Plan) as of each such date. Notwithstanding anything herein to the contrary, the RSUs will be governed by the terms and conditions of the Plan and the applicable grant agreement thereunder.

Severance Plan

Subject to approval by the Compensation Committee of the Company's board of Directors (the "**Board**"), you will be eligible to participate in the Sprout Social, Inc. Severance Plan (the "**Severance Plan**"). Specifically, you will be designated as a "Tier 2 Covered Executive" under the Severance Plan, who is eligible to receive the corresponding benefits applicable to such tier, subject to, and in accordance with, the terms and conditions set forth in the Severance Plan.

Best Efforts/Outside Activities.
You must devote your best efforts and substantially all of your working time, attention, and energy to the Company; *provided, however*, that you may engage in civic and not-for-profit activities as long as such activities do not materially interfere with your obligations to the Company or create a conflict of interest. During your employment, you agree not to engage in any business or for-profit activities outside the Company, including serving on any advisory boards or boards of directors of for-profit entities, without the prior written approval of the Company, which approval may be rescinded at any time in the Company's sole discretion. By signing this letter, you represent that, to the best of your knowledge, you are not subject to any other contract or duty that would interfere in any way with your acceptance of employment with the Company or your performance of your employment duties hereunder.

At-Will Employment.
Your employment relationship with the Company will be, at all times, at will. Accordingly, both you and the Company retain the right to terminate the employment relationship at any time, for any or no reason, with or without advance notice; however, we ask that you provide the Company with at least four weeks advance notice of resignation to allow for an orderly transition. The Company may elect to have your resignation become effective earlier if your transition services are no longer needed.

Confidential Information and Company Policies
As a Company employee, you will be expected to abide by Company rules and policies. As a condition of employment, you must sign and comply with the Employee Confidential Information and Inventions Assignment Agreement ("**CIIAA**") attached as Exhibit A to this letter.

By signing this letter you are representing that you have full authority to accept this position and perform the duties of the position without conflict with any other obligations and that you are not involved in any situation that might create, or appear to create, a conflict of interest with respect to your loyalty or duties to the Company. You specifically warrant that you are not subject to an employment agreement or restrictive covenant preventing full performance of your duties to the Company. You agree not to bring to the Company or use in the performance of your responsibilities at the Company any materials or documents of a former employer that are not generally available to the public, unless you have obtained express written authorization from the former employer for their possession and use. You also agree to honor all obligations to former employers during your employment with the Company.

Conditions, Dispute Resolution, and Complete Agreement
This offer is contingent upon a satisfactory reference check and satisfactory proof of your right to work in the United States. If the Company informs you that you are required to complete a background check, this offer is contingent upon satisfactory clearance of such background check. You agree to assist as needed and to complete any documentation at the Company's request to meet these conditions.

To aid in the rapid and economical resolution of any disputes that may arise in the course of your employment relationship, and in exchange for the mutual promises contained in this offer letter, you and the Company agree that any and all disputes, claims, or demands in any way arising out of or relating to the terms of this Agreement (including but not limited to the CIIAA incorporated by reference herein), your employment relationship with the Company, or the termination of that employment relationship (including statutory claims and any claims brought by or against Company employees), shall be resolved pursuant to the Federal Arbitration Act, 9 U.S.C. §1-16, to the fullest extent permitted by law, by final, binding and confidential arbitration in San Francisco, California (or such other mutually acceptable location) conducted before a single neutral arbitrator by JAMS, Inc. ("***JAMS***") or its successor, under the then applicable JAMS Arbitration Rules and Procedures for Employment Disputes (available at http://www.jamsadr.com/rules-employment-arbitration/ and which will be provided to you on request). **You acknowledge that by agreeing to this arbitration procedure, you and the Company waive the right to resolve any such dispute, claim or demand through a trial by jury or judge.** The Federal Arbitration Act, 9 U.S.C. § 1 et seq., will, to the fullest extent permitted by law, govern the interpretation and enforcement of this arbitration agreement and any arbitration proceedings. This provision shall not be mandatory for any claim or cause of action to the extent applicable law prohibits subjecting such claim or cause of action to mandatory arbitration and such applicable law is not preempted by the Federal Arbitration Act or otherwise invalid (collectively, the "***Excluded Claims***"), including claims or causes of action alleging sexual harassment or a nonconsensual sexual act or sexual contact, or unemployment or workers' compensation claims brought before the applicable state governmental agency. In the event you or the Company intend to bring multiple claims, including one of the Excluded Claims listed above, the Excluded Claims may be filed with a court, while any other claims will remain subject to mandatory arbitration. Nothing herein prevents you from filing and pursuing proceedings before a federal or state governmental agency, although if you choose to pursue a claim following the exhaustion of any applicable administrative remedies, that claim would be subject to this provision. In addition, with the exception of Excluded Claims arising out of 9 U.S.C. § 401 et seq., all claims, disputes, or causes of action under this section, whether by you or the Company, must be brought in an individual capacity, and shall not be brought as a plaintiff (or claimant) or class member in any purported class, representative, or collective proceeding, nor joined or consolidated with the claims of any other person or entity. **You acknowledge that by agreeing to this arbitration procedure, both you and the Company waive all rights to have any dispute be brought, heard, administered, resolved, or arbitrated on a class, representative, or collective action basis**. The arbitrator may not consolidate the claims of more than one person or entity and may not preside over any form of representative or class proceeding. If a court finds, by means of a final decision, not subject to any further appeal or recourse, that the preceding sentences regarding class, representative, or collective claims or proceedings violate applicable law or are otherwise found unenforceable as to a particular claim or request for relief , the parties agree that any such claim(s) or request(s) for relief be severed from the arbitration and may proceed in a court of law rather than by arbitration. All other claims or requests for relief shall be arbitrated. You will have the right to be represented by legal counsel at any arbitration proceeding. Questions of whether a claim is subject to arbitration and procedural questions which grow out of the dispute and bear on the final disposition are matters for the arbitrator to decide, provided however, that if required by applicable law, a court and not the arbitrator may determine the enforceability of this paragraph with respect to Excluded Claims. The arbitrator shall: (a) have the authority to compel adequate discovery for the resolution of the dispute and to award such relief as would otherwise be available under applicable law in a court proceeding; and (b) issue a written statement signed by the arbitrator regarding the disposition of each claim and the relief, if any, awarded as to each claim, the reasons for the award, and the arbitrator's essential findings and conclusions on which the award is based. The arbitrator shall be authorized to award all relief that you or the Company would be entitled to seek in a court of law. The Company shall pay all JAMS' arbitration fees in excess of what you would pay if the matter were litigated in court. Each party is responsible for its own attorneys' fees, subject to applicable law. Nothing herein is intended to prevent you or the Company from obtaining injunctive relief in court to prevent irreparable harm pending the conclusion of any arbitration. Any awards or orders in such arbitrations may be entered and enforced as judgments in the federal and state courts of any competent jurisdiction. You hereby consent to the personal jurisdiction and venue of the state and federal courts in and for the county in which the Company's headquarters are located for any court action brought pursuant to this Section.

This letter, and the Exhibit(s) attached hereto, forms the complete and exclusive statement of the terms of your employment with the Company. It supersedes any other agreements or promises made to you by anyone, whether oral or written. Changes in your employment terms, other than those changes expressly reserved to the Company's discretion in this letter, require a written modification signed by an officer of the Company. If any provision of this offer letter agreement is determined to be invalid or unenforceable, in whole or in part, this determination shall not affect any other provision of this offer letter agreement and the provision in question shall be modified so as to be rendered enforceable in a manner consistent with the intent of the parties insofar as possible under applicable law. This letter may be delivered and executed via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and shall be deemed to have been duly and validly delivered and executed and be valid and effective for all purposes.

Please sign and date this letter and return them to me by July __, 2026 if you wish to accept employment at the Company under the terms described above.

We look forward to your favorable reply and to a productive and enjoyable work relationship.

Sincerely,

/s/Ryan Barretto

____

Ryan Barretto
Chief Executive Officer

Understood and Accepted:

/s/Aaron Rankin	7/29/2026
______________________________	______________________________
Aaron Rankin	Date

EXHIBIT A
CIIAA

CERTIFICATION

I, Ryan Barretto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sprout Social, 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. I, as the Registrant’s principal executive officer and interim principal financial officer, am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report my conclusion 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. I, as the Registrant’s principal executive officer and interim principal financial officer, have disclosed, based on my 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.

SPROUT SOCIAL, INC.

By:	/s/ Ryan Barretto
Name:	Ryan Barretto
Title:	Chief Executive Officer and Director (Principal Executive Officer and Interim Principal Financial Officer)

Date: August 7, 2026

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

In connection with the Quarterly Report of Sprout Social, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ryan Barretto, Chief Executive Officer (Principal Executive Officer and Interim Principal Financial Officer), certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

SPROUT SOCIAL, INC.

By:	/s/ Ryan Barretto
Name:	Ryan Barretto
Title:	Chief Executive Officer (Principal Executive Officer and Interim Principal Financial Officer)

Date: August 7, 2026

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Sprout Social, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.