

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549

**FORM 10-Q**

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

For the quarterly period ended June 30, 2025

OR

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

For the transition period from to

Commission file number: 001-40276

**Semrush Holdings, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

84-4053265  
(I.R.S. Employer  
Identification Number)

800 Boylston Street, Suite 2475  
Boston, MA 02199  
(Address of principal executive offices including zip code)

(800) 851-9959  
(Registrant's telephone number, including area code)

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.00001 par value per share	SEMR	The New York Stock Exchange

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

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

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

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

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

As of July 31, 2025, there were 127,685,802 shares of the registrant's Class A Common Stock and 21,019,818 shares of the registrant's Class B Common Stock, \$0.00001 par value per share, outstanding.

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### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will,” or “would,” or the negative of these words or other similar terms or expressions. These forward-looking statements are based on management’s current expectations and assumptions about future events, which are inherently subject to uncertainties, risks, and changes in circumstances that are difficult to predict. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements concerning the following:

- our future financial performance, including our revenue, annual recurring revenue (“ARR”), dollar-based net revenue retention rate, non-GAAP income from operations, non-GAAP income from operations margin, free cash flow, free cash flow margin, costs of revenue, gross profit or gross margin and operating expenses;
  - the sufficiency of our cash and cash equivalents to meet our liquidity needs;
  - anticipated trends and growth rates in our business and in the markets in which we operate;
  - our ability to maintain the security and availability of our internal networks and platform;
  - our ability to attract new paying customers and convert free customers into paying customers;
  - our ability to retain and expand sales to our existing paying customers, including upgrades to premium subscriptions and purchases of add-on offerings;
  - our ability to access, collect, and analyze data;
  - our ability to successfully expand in our existing markets and into new markets, including executing on anticipated market opportunities and growth strategies;
  - our ability to effectively manage our growth and future expenses;
  - our ability to continue to innovate and develop new products and features, improve our data assets, and adopt and enhance our technological capabilities, including the use of artificial intelligence and other new and evolving technologies;
  - our expectations regarding user behavior online, including use of traditional search engines and newer AI-driven search technologies;
  - our ability to maintain, protect, and enhance our intellectual property;
  - our ability to build, maintain, and enhance our brand, including through informational resources, advertisements, and referrals;
  - our ability to comply with modified or new laws and regulations applying to our business, including in any new jurisdictions in which we operate;
  - the attraction and retention of qualified employees and key personnel;
-

- related impacts from recent changes to our executive management team;
- our anticipated investments in sales and marketing, and research and development;
- our ability to successfully defend litigation brought against us;
- our expectations regarding identifying, evaluating, executing, and integrating strategic acquisitions and related financial considerations such as purchase price allocation;
- our plans, expectations and statements regarding our share repurchase program; and
- the impact of global financial, economic, and political events on our business, industry and supply chain, including changes to trade laws and policies, rising inflation, fluctuating interest rates and currency exchange rates, and market uncertainty and volatility.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024 and elsewhere in this Quarterly Report on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. Unless stated otherwise, these statements are based upon information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe such information provides a reasonable basis for such statements, such 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 potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

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PART 1 - FINANCIAL INFORMATION

Item 1. Financial Statements

SEMRUSH HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except per share data)

	As of	
	June 30, 2025	December 31, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 54,322	\$ 48,875
Short-term investments	204,225	186,693
Accounts receivable	14,243	8,955
Deferred contract costs, current portion	10,178	10,044
Prepaid expenses and other current assets	18,138	21,617
Total current assets	301,106	276,184
Property and equipment, net	6,673	6,534
Operating lease right-of-use assets	11,551	11,126
Intangible assets, net	35,317	32,055
Goodwill	59,924	56,139
Deferred contract costs, net of current portion	3,495	3,080
Other long-term assets	6,883	5,825
Total assets	\$ 424,949	\$ 390,943
<b>Liabilities, noncontrolling interest, and stockholders' equity</b>		
Current liabilities		
Accounts payable	\$ 13,505	\$ 10,463
Accrued expenses	20,627	20,216
Deferred revenue	81,730	71,827
Current portion of operating lease liabilities	4,966	4,669
Other current liabilities	4,853	6,913
Total current liabilities	125,681	114,088
Deferred revenue, net of current portion	235	235
Deferred tax liability	1,798	1,621
Operating lease liabilities, net of current portion	7,852	7,602
Other long-term liabilities	1,216	1,045
Total liabilities	136,782	124,591
Commitments and contingencies (Note 14)		
Stockholders' equity		
Class A common stock, \$0.00001 par value - 1,000,000 shares authorized, and 127,472 shares issued and outstanding as of June 30, 2025; 125,834 shares issued and outstanding as of December 31, 2024	1	1
Class B common stock, \$0.00001 par value - 160,000 shares authorized, and 21,020 shares issued and outstanding as of June 30, 2025; 21,009 shares issued and outstanding as of December 31, 2024	—	—
Additional paid-in capital	345,664	322,586
Accumulated other comprehensive income (loss)	2,862	(2,221)
Accumulated deficit	(69,480)	(63,762)
Total stockholders' equity attributable to Semrush Holdings, Inc.	279,047	256,604
Noncontrolling interest in consolidated subsidiaries	9,120	9,748
Total stockholders' equity	288,167	266,352
Total liabilities, noncontrolling interest and stockholders' equity	\$ 424,949	\$ 390,943

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SEMRUSH HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE (LOSS) INCOME  
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 108,892	\$ 90,951	\$ 213,910	\$ 176,763
Cost of revenue	21,110	14,957	40,981	29,602
Gross profit	87,782	75,994	172,929	147,161
Operating expenses				
Sales and marketing	45,011	35,000	86,318	68,921
Research and development	23,801	19,288	45,713	36,592
General and administrative	23,315	18,312	45,317	36,786
Total operating expenses	92,127	72,600	177,348	142,299
(Loss) income from operations	(4,345)	3,394	(4,419)	4,862
Other income, net	2,287	2,616	6,459	6,255
(Loss) income before income taxes	(2,058)	6,010	2,040	11,117
Provision for income taxes	4,719	4,649	8,162	7,753
Net (loss) income	(6,777)	1,361	(6,122)	3,364
Net loss attributable to noncontrolling interest in consolidated subsidiaries	(210)	(298)	(404)	(433)
Net (loss) income attributable to Semrush Holdings, Inc.	\$ (6,567)	\$ 1,659	\$ (5,718)	\$ 3,797
Net (loss) income attributable to Semrush Holdings, Inc. per share attributable to common stockholders—basic:	\$ (0.04)	\$ 0.01	\$ (0.04)	\$ 0.03
Net (loss) income attributable to Semrush Holdings, Inc. per share attributable to common stockholders—diluted:	\$ (0.04)	\$ 0.01	\$ (0.04)	\$ 0.03
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders—basic:	148,311	145,678	147,765	145,122
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders—diluted:	148,311	148,825	147,765	148,261
Net (loss) income	\$ (6,777)	\$ 1,361	\$ (6,122)	\$ 3,364
Other comprehensive (loss) income:				
Foreign currency translation adjustments	3,050	(119)	4,370	(604)
Unrealized gain (loss) on investments	123	(184)	713	(928)
Comprehensive (loss) income	\$ (3,604)	\$ 1,058	\$ (1,039)	\$ 1,832
Comprehensive loss attributable to noncontrolling interest in consolidated subsidiaries	(210)	(298)	(404)	(433)
Comprehensive (loss) income attributable to Semrush Holdings, Inc.	\$ (3,394)	\$ 1,356	\$ (635)	\$ 2,265

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SEMRUSH HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(in thousands, except share data)

	Redeemable Noncontrolling Interest	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity Attributable to Semrush Holdings, Inc.	Noncontrolling Interest	Total Stockholders' Equity
		Shares	Amount	Shares	Amount						
<b>Balances at December 31, 2023</b>	\$ —	120,629,147	\$ 1	23,482,057	\$ —	\$ 291,898	\$ (752)	\$ (71,998)	\$ 219,149	\$ 5,166	\$ 224,315
Issuance of common stock upon exercise of stock options	—	469,879	—	—	—	844	—	—	844	—	844
Issuance of common stock upon vesting of restricted stock units	—	145,844	—	—	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	5,115	—	—	5,115	—	5,115
Cumulative translation adjustment	—	—	—	—	—	—	(485)	—	(485)	—	(485)
Unrealized loss on investments	—	—	—	—	—	—	(744)	—	(744)	—	(744)
Net income	—	—	—	—	—	—	—	2,138	2,138	—	2,138
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	—	(135)	(135)
<b>Balances at March 31, 2024</b>	—	121,244,870	1	23,482,057	—	297,857	(1,981)	(69,860)	226,017	5,031	231,048
Conversion of Class B Common Stock to Class A Common Stock	—	409,801	—	(409,801)	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	—	720,880	—	—	—	2,209	—	—	2,209	—	2,209
Issuance of common stock upon vesting of restricted stock units	—	685,891	—	—	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	—	7,015	—	—	7,015	—	7,015
Cumulative translation adjustment	—	—	—	—	—	—	(119)	—	(119)	—	(119)
Unrealized loss on investments	—	—	—	—	—	—	(184)	—	(184)	—	(184)
Net income	—	—	—	—	—	—	—	1,659	1,659	—	1,659
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	—	(228)	(228)
Acquisition of redeemable noncontrolling interest (See Note 9)	9,846	—	—	—	—	—	—	—	—	—	—
Net loss attributable to redeemable noncontrolling interest	(70)	—	—	—	—	—	—	—	—	—	—
Reclassification for Tender Offer obligations (See Note 9)	(2,021)	—	—	—	—	—	—	—	—	—	—
Recording of redeemable noncontrolling interest at redemption value (See Note 9)	978	—	—	—	—	(978)	—	—	(978)	—	(978)
<b>Balances at June 30, 2024</b>	\$ 8,733	123,061,442	\$ 1	23,072,256	\$ —	\$ 306,103	\$ (2,284)	\$ (68,201)	\$ 235,619	\$ 4,803	\$ 240,422

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SEMRUSH HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY  
(in thousands, except share data)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity Attributable to Semrush Holdings, Inc.	Noncontrolling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount						
<b>Balances at December 31, 2024</b>	125,833,872	\$ 1	21,009,210	\$ —	\$ 322,586	\$ (2,221)	\$ (63,762)	\$ 256,604	\$ 9,748	\$ 266,352
Conversion of Class B Common Stock to Class A Common Stock	100,800	—	(100,800)	—	—	—	—	—	—	—
Issuance of common stock upon exercise of stock options	52,666	—	111,408	—	365	—	—	365	—	365
Issuance of common stock upon vesting of restricted stock units	643,823	—	—	—	—	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	8,966	—	—	8,966	—	8,966
Cumulative translation adjustment	—	—	—	—	—	1,320	—	1,320	—	1,320
Unrealized gain on investments	—	—	—	—	—	590	—	590	—	590
Net income	—	—	—	—	—	—	849	849	—	849
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(194)	(194)
Acquisition of additional noncontrolling shares	—	—	—	—	—	—	—	—	(90)	(90)
<b>Balances at March 31, 2025</b>	126,631,161	\$ 1	21,019,818	\$ —	\$ 331,917	\$ (311)	\$ (62,913)	\$ 268,694	\$ 9,464	\$ 278,158
Issuance of common stock upon exercise of stock options	114,295	—	—	—	283	—	—	283	—	283
Issuance of common stock upon vesting of restricted stock units	726,873	—	—	—	(426)	—	—	(426)	—	(426)
Stock-based compensation expense	—	—	—	—	13,342	—	—	13,342	—	13,342
Reclassification of liability-classified awards to equity- classified awards	—	—	—	—	548	—	—	548	—	548
Cumulative translation adjustment	—	—	—	—	—	3,050	—	3,050	—	3,050
Unrealized gain on investments	—	—	—	—	—	123	—	123	—	123
Net loss	—	—	—	—	—	—	(6,567)	(6,567)	—	(6,567)
Net loss attributable to noncontrolling interest	—	—	—	—	—	—	—	—	(210)	(210)
Acquisition of additional noncontrolling shares	—	—	—	—	—	—	—	—	(134)	(134)
<b>Balances at June 30, 2025</b>	127,472,329	\$ 1	21,019,818	\$ —	\$ 345,664	\$ 2,862	\$ (69,480)	\$ 279,047	\$ 9,120	\$ 288,167

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SEMRUSH HOLDINGS, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

	Six Months Ended	
	June 30,	
	2025	2024
<b>Operating Activities</b>		
Net (loss) income	\$ (6,122)	\$ 3,364
Adjustments to reconcile net (loss) income to net cash provided by operating activities		
Depreciation and amortization expense	6,313	4,269
Amortization of deferred contract costs	7,043	6,054
Amortization (accretion) of premiums and discounts on investments	(1,400)	(2,023)
Non-cash lease expense	2,451	2,233
Stock-based compensation expense	22,548	12,281
Change in fair value included in other income, net	(1,271)	—
Deferred taxes	39	(217)
Other non-cash items	1,255	1,400
Changes in operating assets and liabilities		
Accounts receivable	(5,427)	(774)
Deferred contract costs	(7,591)	(6,129)
Prepaid expenses and other current assets	(4,166)	(4,017)
Accounts payable	2,630	1,906
Accrued expenses	104	2,917
Other current liabilities	(233)	360
Deferred revenue	9,358	7,353
Other long-term liabilities	162	92
Change in operating lease liability	(2,900)	(2,147)
Net cash provided by operating activities	22,793	26,922
<b>Investing Activities</b>		
Purchases of property and equipment	(1,329)	(2,906)
Capitalization of internal-use software costs	(6,532)	(4,369)
Purchases of short-term investments	(61,524)	(83,605)
Proceeds from sales and maturities of short-term investments	46,000	102,500
Purchases of convertible debt securities	—	(650)
Funding of investment loan receivables	—	(7,000)
Proceeds from repayment of investment loan receivables	7,676	—
Cash paid for acquisition of assets and businesses, net of cash acquired	(1,097)	(10,026)
Purchases of noncontrolling interest	(223)	—
Purchases of other investments	—	(131)
Net cash used in investing activities	(17,029)	(6,187)
<b>Financing Activities</b>		
Proceeds from exercise of stock options	648	3,053
Taxes paid related to net share settlement of equity awards	(426)	—
Repayment of acquired debt	(1,088)	—
Payment of finance leases	(211)	(493)
Net cash (used in) provided by financing activities	(1,077)	2,560
Effect of exchange rate changes on cash and cash equivalents	760	(614)
Increase in cash, cash equivalents and restricted cash	5,447	22,681
Cash, cash equivalents and restricted cash, beginning of period	49,060	58,848
Cash, cash equivalents and restricted cash, end of period	\$ 54,507	\$ 81,529
<b>Supplemental cash flow disclosures</b>		
Cash paid for income taxes	\$ 9,774	\$ 3,638
Property and equipment purchases included in accounts payable	\$ 266	\$ 21
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 2,747	\$ 931
Accrued purchase consideration	\$ —	\$ 2,924
Unrealized gain (loss) on short-term investments	\$ 713	\$ (928)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

SEMRUSH HOLDINGS, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Three and Six Months Ended June 30, 2025 and 2024  
(in thousands, except share and per share data, unless otherwise noted)

1. Overview and Basis of Presentation

**Description of Business**

Semrush Holdings, Inc. ("Semrush Holdings") and its subsidiaries (together the "Company", or "Semrush") provide an online visibility management software-as-a-service ("SaaS") platform. The Company's platform enables its subscribers to improve their online visibility and drive traffic, including on their websites and social media pages, and distribute highly relevant content to their customers on a targeted basis across various channels to drive high-quality traffic and measure the effectiveness of their digital marketing campaigns. The Company is headquartered in Boston, Massachusetts, and as of June 30, 2025 has wholly owned subsidiaries in the United States, Spain, the Czech Republic, the Netherlands, Cyprus, Serbia, Poland, Germany, Armenia, Canada, France, the United Kingdom, and Vietnam.

The Company is subject to a number of risks and uncertainties common to companies in similar industries and stages of development that could affect future operations and financial performance. These risks include, but are not limited to, rapid technological change, competitive pressure from substitute products or larger companies, protection of proprietary technology, management of international activities, and dependence on third parties and key individuals.

**Basis of Presentation**

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Any reference in these notes to applicable guidance is meant to refer to the authoritative United States generally accepted accounting principles as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

The unaudited condensed consolidated interim financial statements have been prepared on the same basis as the audited annual consolidated financial statements as of and for the year ended December 31, 2024, and, in the opinion of management, reflect all adjustments, consisting of normal recurring adjustments, necessary for the fair presentation of the Company's financial position as of June 30, 2025, and for the three and six months ended June 30, 2025 and 2024. The consolidated balance sheet as of December 31, 2024 included herein was derived from the audited consolidated financial statements as of that date.

The results for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the year ending December 31, 2025, any other interim periods, or any future year or period.

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, 2024, filed with the SEC on March 3, 2025.

The accompanying unaudited condensed consolidated financial statements reflect the application of certain significant accounting policies as described below and elsewhere in these notes to the unaudited condensed consolidated financial statements. As of June 30, 2025, there have been no material changes in the Company's significant accounting policies from those that were disclosed in the Annual Report on Form 10-K, except as discussed below.

## **2. Summary of Significant Accounting Policies**

### ***Principles of Consolidation***

The unaudited condensed consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and subsidiaries in which it holds a controlling interest. All intercompany transactions and balances have been eliminated in consolidation. Ownership interests in subsidiaries represented by other parties that do not control the entity are presented in the consolidated financial statements as activities and balances attributable to noncontrolling interests.

### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the unaudited condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates relied upon in preparing these unaudited condensed consolidated financial statements include, but are not limited to, revenue recognition, expected future cash flows used to evaluate the recoverability of long-lived assets, contingent liabilities, expensing and capitalization of research and development costs for internal-use software, the average period of benefit associated with costs capitalized to obtain revenue contracts, the determination of the fair value of stock-based awards issued, stock-based compensation expense, the determination of the estimated fair value of loan receivables and convertible debt securities held by the Company, the valuations of the intangible assets acquired through acquisitions, the estimation of the Company's incremental borrowing rate, and the recoverability of the Company's net deferred tax assets and related valuation allowance.

Although the Company regularly assesses these estimates, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances. Actual results may differ from management's estimates if these results differ from historical experience, or other assumptions do not turn out to be substantially accurate, even if such assumptions are reasonable when made.

### ***Subsequent Events Considerations***

The Company considers events or transactions that occur after the balance sheet date but prior to the issuance of the unaudited condensed consolidated financial statements to provide additional evidence for certain estimates or to identify matters that require additional disclosure. The Company has evaluated subsequent events as required and the Company determined that there are no material recognized or unrecognized subsequent events requiring disclosure.

### **Revenue Recognition**

The Company primarily derives revenue from subscriptions to the Company's SaaS services and related customer support. For the three and six months ended June 30, 2025 and 2024, subscription revenue accounted for nearly all of the Company's revenue. Revenue related to other revenue was not material for the three and six months ended June 30, 2025 and 2024.

The Company offers subscriptions to its platform primarily on a monthly or annual basis. The Company sells its products and services primarily through a self-service model and also directly through its sales force. The Company's subscription arrangements provide customers the right to access the Company's hosted software applications. Customers do not have the right to take possession of the Company's software during the hosting arrangement. Subscriptions are generally non-cancellable during the contractual subscription term; however, some subscription contracts contain a right to a refund if requested within seven days of purchase.

The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration it expects to receive in exchange for those products or services. There were no changes to the Company's revenue recognition policies since the filing of its Annual Report on Form 10-K with the SEC on March 3, 2025.

Amounts that have been invoiced are recorded in accounts receivable and in deferred revenue or revenue, depending on whether the revenue recognition criteria have been met. The Company primarily invoices and collects payments from customers for its services in advance on a monthly or annual basis.

Deferred revenue represents amounts billed for which revenue has not yet been recognized. Deferred revenue that will be recognized during the succeeding 12-month period is recorded as deferred revenue, and the remaining portion is recorded as deferred revenue, net of current portion. Deferred revenue increased by \$9,903 as of June 30, 2025 compared to December 31, 2024. During the three and six months ended June 30, 2025, \$40,173 and \$55,628 of revenue was recognized that was included in deferred revenue at the beginning of each respective period. During the three and six months ended June 30, 2024, \$32,354 and \$39,426 of revenue was recognized that was included in deferred revenue at the beginning of each respective period.

The Company has elected to exclude amounts charged to customers for sales tax from the transaction price. Accordingly, revenue is presented net of any sales tax collected from customers.

#### *Transaction Price Allocated to Future Performance Obligations*

ASC 606 requires that the Company disclose the aggregate amount of the transaction price that is allocated to performance obligations that have not yet been satisfied as of the balance sheet dates reported.

For contracts with an original expected duration greater than one year, the aggregate amount of the transaction price allocated to the performance obligations that were unsatisfied as of June 30, 2025 was \$3,009, of which the Company expects to recognize \$2,774 over the next 12 months.

For contracts with an original expected duration of one year or less, the Company has applied the practical expedient available under ASC 606 to not disclose the amount of transaction price allocated to unsatisfied performance obligations as of June 30, 2025. For performance obligations not satisfied as of June 30, 2025, and to which this expedient applies, the nature of the performance obligations is consistent with performance obligations satisfied as of December 31, 2024. The remaining durations are less than one year.

#### *Costs to Obtain a Contract*

The incremental direct costs of obtaining a contract, which primarily consist of sales commissions paid for new subscription contracts, are deferred and recorded as deferred contract costs in the unaudited condensed consolidated balance sheets and are amortized over a period of approximately 24 months on a systematic basis, consistent with the pattern of transfer of the goods or services to which the asset relates. The 24-month period represents the estimated benefit period of the customer relationship and

has been determined by taking into consideration the type of product sold, the commitment term of the customer contract, the nature of the Company's technology development life-cycle, and an estimated customer relationship period based on historical experience and future expectations. Deferred contract costs that will be recorded as expense during the succeeding 12-month period are recorded as deferred contract costs, current portion, and the remaining portion is recorded as deferred contract costs, net of current portion. Amortization of deferred contract costs is included in sales and marketing expense in the accompanying unaudited condensed consolidated statements of operations and comprehensive (loss) income.

#### **Concentrations of Credit Risk and Significant Customers**

The Company has no off-balance sheet risk, such as foreign exchange contracts, option contracts, or other hedging arrangements. Credit losses historically have not been significant and the Company generally has not experienced any material losses related to receivables from individual customers, or groups of customers. Due to these factors, no additional credit risk beyond amounts provided for collection losses is believed by management to be probable in the Company's accounts receivable.

Credit risk with respect to accounts receivable is dispersed due to the large number of customers of the Company. The Company routinely assesses the creditworthiness of its customers and generally does not require its customers to provide collateral or other security to support accounts receivable.

As of June 30, 2025 and December 31, 2024, no individual customer represented more than 10% of the Company's accounts receivable. During the three and six months ended June 30, 2025 and 2024, no individual customer represented more than 10% of the Company's revenue.

#### **Disclosure of Fair Value of Financial Instruments**

The Company's financial instruments include cash, cash equivalents, investments, accounts receivable, loan receivables, convertible debt securities, accounts payable, and accrued expenses. The Company's investments are classified as available-for-sale and reported at fair value in accordance with the market approach utilizing quoted prices that were directly or indirectly observable. The Company has elected the fair value option in respect to the accounting for its loan receivable investments and convertible debt securities, resulting in increases and decreases in the fair value of such investments being recorded to other income, net for each reporting period. The carrying amount of the remainder of the Company's financial instruments approximated their fair values as of June 30, 2025 and December 31, 2024, due to the short-term nature of these instruments.

The Company has evaluated the estimated fair value of financial instruments using available market information. The use of different market assumptions and/or estimation methodologies could have a significant effect on the estimated fair value amounts. See below for further discussion.

#### **Foreign Currency Translation**

The Company operates in a multi-currency environment having transactions in such currencies as the U.S. dollar, Polish zloty, Czech koruna, euro, and others. The reporting currency of the Company is the U.S. dollar.

The foreign currency exchange (loss) gain included in other income, net for the three months ended June 30, 2025 and 2024 was \$(328) and \$128, respectively. The foreign currency exchange gain included in other income, net for the six months ended June 30, 2025 and 2024 was \$108 and \$573, respectively.

### Comprehensive (Loss) Income

Comprehensive (loss) income is comprised of two components: net (loss) income and other comprehensive (loss) income, which includes other changes in stockholders' equity that result from transactions and economic events other than those with stockholders. Such changes include the cumulative foreign currency translation adjustment and unrealized gain (loss) on investments. The tax effect of the cumulative foreign currency translation adjustment and unrealized gain (loss) on investments was not significant for the three and six months ended June 30, 2025 and 2024.

### Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures*, which requires additional disclosure of certain costs and expenses within the notes to the financial statements. The amendments in ASU 2024-03 are effective for fiscal years beginning after December 15, 2026 and interim periods beginning after December 15, 2027. The Company is currently evaluating the impact that the updated standard will have on our financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740)-Improvements to Income Tax Disclosures ("ASU 2023-09")*. ASU 2023-09 requires that an entity disclose specific categories in the effective tax rate reconciliation as well as provide additional information for reconciling items that meet a quantitative threshold. Further, ASU 2023-09 requires certain disclosures of state versus federal income tax expense and taxes paid. The amendments in ASU 2023-09 are required to be adopted for fiscal years beginning after December 15, 2024, with early adoption permitted. The amendments should be applied on a prospective basis although retrospective application is permitted. The Company is evaluating the impact that the updated standard will have on our financial statement disclosures.

### 3. Cash, Cash Equivalents, Restricted Cash, and Investments

The Company considers all highly liquid instruments purchased with an original maturity date of 90 days or less from the date of purchase to be cash equivalents. Cash and cash equivalents consist of cash on deposit with banks, amounts held in interest-bearing money market funds, and commercial paper with original maturities of 90 days or less. Cash equivalents are carried at cost, which approximates their fair market value. Short-term investments consist of investments with original maturities greater than 90 days, as of the date of purchase. The Company considers its investment portfolio available-for-sale. The Company adjusts the cost of investments for amortization of premiums and accretion of discounts to maturity. The Company includes such amortization and accretion in interest income in the unaudited condensed consolidated statements of operations and comprehensive (loss) income.

When the Company holds debt investments classified as available-for-sale pursuant to ASC 320, *Investments — Debt Securities*, it records available-for-sale securities at fair value, with unrealized gains and losses included in accumulated other comprehensive loss in stockholders' equity. The Company has classified its investments with maturities beyond one year as short term, based on their highly liquid nature and because such marketable securities represent the investment of cash that is available for current operations. The Company includes interest and dividends on securities classified as available-for-sale in interest income in the unaudited condensed consolidated statements of operations and comprehensive (loss) income. Realized gains and losses are recorded in the unaudited condensed consolidated statements of operations and comprehensive (loss) income based on the specific-identification method. There were no material realized gains or losses on investments for the three and six months ended June 30, 2025 or 2024. As of June 30, 2025, the aggregate fair value of investments held by the Company in a continuous unrealized loss position for less than and greater than twelve months was \$34,511 and \$38,461, respectively. As of December 31, 2024, the aggregate fair value of

investments held by the Company in a continuous unrealized loss position for less than and greater than twelve months was \$47,597 and \$38,348, respectively.

Pursuant to ASC 326, *Financial Instruments - Credit Losses*, the Company reviews available-for-sale securities for impairment whenever the fair value of the security is less than its amortized cost. For the three and six months ended June 30, 2025, the Company determined that no impairments were required to be recognized in the unaudited condensed consolidated statements of operations.

The following is a summary of cash, cash equivalents, and short-term investments as of June 30, 2025 and December 31, 2024:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
<b>June 30, 2025</b>				
Cash and cash equivalents	\$ 54,322	\$ —	\$ —	\$ 54,322
Short-term investments:				
U.S. treasury securities	188,623	767	(51)	189,339
Commercial paper	14,889	—	(3)	14,886
Total short-term investments	203,512	767	(54)	204,225
Total cash, cash equivalents and short-term investments	<u>\$ 257,834</u>	<u>\$ 767</u>	<u>\$ (54)</u>	<u>\$ 258,547</u>
<b>December 31, 2024</b>				
Cash and cash equivalents	\$ 48,875	\$ —	\$ —	\$ 48,875
Short-term investments:				
U.S. treasury securities	186,719	349	(375)	186,693
Total short-term investments	186,719	349	(375)	186,693
Total cash, cash equivalents and short-term investments	<u>\$ 235,594</u>	<u>\$ 349</u>	<u>\$ (375)</u>	<u>\$ 235,568</u>

The Company considered the extent to which any unrealized losses on its marketable securities were driven by credit risk and other factors, including market risk, and if it is more-likely-than-not that the Company would have to sell the security before the recovery of the amortized cost basis. As of June 30, 2025 and December 31, 2024, the unrealized losses related to its marketable securities were due to rising market interest rates compared to when the investments were initiated. The Company does not believe the unrealized losses represent credit risk, and the Company does not intend to sell any of the securities in an unrealized loss position and it is not likely that the Company would be required to sell these securities before recovery of their amortized cost basis, which may be at maturity. Thus, no credit loss was recognized for the Company's marketable securities for the three and six months ended June 30, 2025 and 2024.

As of June 30, 2025, the Company held \$96,863 in U.S. treasury securities and commercial paper with maturities within one year and held \$107,362 in U.S. treasury securities with maturities after one year and within three years.

#### Restricted Cash

As of June 30, 2025, restricted cash totaled \$185 related to cash held as collateral for a letter of credit related to the contractual provisions for one of the Company's office leases. As of June 30, 2024, restricted cash totaled \$11,903 and included \$11,718 related to the Company's Brand 24 tender offer

(See Note 9) and \$185 related to cash held as collateral for a letter of credit related to the contractual provisions of one of the Company's office leases.

The following table is a reconciliation of cash, cash equivalents, and restricted cash included in the accompanying unaudited condensed consolidated balance sheets that sum to the total cash, cash equivalents, and restricted cash included in the accompanying unaudited condensed consolidated statements of cash flows:

	As of June 30,	
	2025	2024
Cash and cash equivalents	\$ 54,322	\$ 69,626
Restricted cash included in "other long-term assets"	185	185
Restricted cash included in "prepaid expenses and other current assets"	—	11,718
Cash, cash equivalents, and restricted cash	<u>\$ 54,507</u>	<u>\$ 81,529</u>

#### 4. Leases

The components of lease expense were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease cost	\$ 1,684	\$ 1,294	\$ 3,048	\$ 2,646
Short-term lease cost	234	183	448	411
Variable lease cost	1,086	1,169	2,185	2,365
Total lease cost	<u>\$ 3,004</u>	<u>\$ 2,646</u>	<u>\$ 5,681</u>	<u>\$ 5,422</u>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Amortization of lease assets	\$ 31	\$ 81	\$ 102	\$ 652
Interest on lease liabilities	1	6	4	15
Total finance lease cost	<u>\$ 32</u>	<u>\$ 87</u>	<u>\$ 106</u>	<u>\$ 667</u>

Weighted-average remaining lease term and discount rate were as follows:

	As of June 30,
	2025
Weighted-average remaining lease term (in years)	
Operating leases	2.9
Weighted-average discount rate	
Operating leases	6.0 %

Future minimum amounts payable as of June 30, 2025 were as follows:

As of June 30, 2025	Operating Leases
Remainder of 2025	\$ 2,863
2026	5,320
2027	3,000
2028	1,430
Thereafter	503
Total lease payments	13,116
Less: imputed interest	(298)
Total lease liabilities	\$ 12,818

As of June 30, 2025, the Company had one additional operating lease with future lease payments of \$759 that had not yet commenced in Texas. The lease commenced in July 2025. As of June 30, 2025, the Company had no finance leases that had not yet commenced.

Rent expense related to the Company's office facilities was \$1,918 and \$3,497 for the three and six months ended June 30, 2025, respectively. Rent expense related to the Company's office facilities was \$1,477 and \$3,056 for the three and six months ended June 30, 2024, respectively.

## 5. Fair Value Measurement

The following tables summarize financial assets and liabilities measured and recorded at fair value on a recurring basis in the accompanying consolidated balance sheets as of June 30, 2025 and December 31, 2024, segregated by the level of the valuation inputs within the fair value hierarchy utilized to measure fair value:

	June 30, 2025			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)	
<b>Assets:</b>				
Money market funds	\$ 25,435	\$ —	\$ —	\$ 25,435
U.S. treasury securities	—	189,339	—	189,339
Commercial paper	—	19,860	—	19,860
Convertible debt securities (See Note 7)	—	—	4,102	4,102
Total assets	\$ 25,435	\$ 209,199	\$ 4,102	\$ 238,736

	December 31, 2024			Total
	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	Significant Other Observable Inputs (Level 2 Inputs)	Significant Unobservable Inputs (Level 3 Inputs)	
<b>Assets:</b>				
Money market funds	\$ 6,376	\$ —	\$ —	\$ 6,376
U.S. treasury securities	—	186,693	—	186,693
Commercial paper	—	14,918	—	14,918
Convertible debt securities (See Note 7)	—	—	3,593	3,593
Investment loan receivables (See Note 7)	—	—	7,676	7,676
Total assets	\$ 6,376	\$ 201,611	\$ 11,269	\$ 219,256

The fair value measurements of the Company's money market funds are based on quoted market prices in active markets for identical assets and, therefore, these assets are recorded at fair value on a recurring basis and classified as Level 1 in the fair value hierarchy. The fair value measurements of the Company's U.S. treasury securities and commercial paper are based on significant other observable inputs and, therefore, these assets are recorded at fair value on a recurring basis and classified as Level 2 in the fair value hierarchy.

As of June 30, 2025, the Company measured its convertible debt securities (See Note 7 "Other Assets") on a recurring basis using significant unobservable inputs (Level 3). As of December 31, 2024, the Company measured its investment loan receivables and its convertible debt securities (See Note 7 "Other Assets") on a recurring basis using significant unobservable inputs (Level 3).

#### Convertible Debt Securities

The Company records its convertible debt securities at fair value on the purchase date. The Company determines the fair value of these investments using the Black-Scholes Merton model. For each reporting period thereafter, these investments are revalued and increases or decreases in their fair values are recorded as adjustments to other income, net within the unaudited condensed consolidated statements of operations and comprehensive (loss) income to reflect the gains and losses. Changes in the fair value of these investments can result from changes in the estimated enterprise value of the issuers, the likelihoods and methods of such conversions, and other market factors. Significant judgment is employed in determining the appropriateness of these assumptions as of the purchase date and for each subsequent period. Accordingly, changes in any of the assumptions described above can materially impact the amount of gain or loss the Company records in any given period.

A rollforward of the fair value measurements of the convertible debt securities for the six months ended June 30, 2025 is as follows:

Balance as of December 31, 2024	\$	3,593
Change in fair value included in other income, net		402
Balance as of March 31, 2025		3,995
Change in fair value included in other income, net		107
Balance as of June 30, 2025	\$	4,102

## 6. Property and Equipment, Net

Property and equipment consists of the following:

	As of	
	June 30, 2025	December 31, 2024
Computer equipment	\$ 14,984	\$ 13,707
Furniture and office equipment	2,154	2,033
Leasehold improvements	3,351	2,738
Total property and equipment	20,489	18,478
Less: accumulated depreciation and amortization	(13,816)	(11,944)
Property and equipment, net	\$ 6,673	\$ 6,534

Depreciation and amortization expense related to property and equipment was \$780 and \$1,683 for the three and six months ended June 30, 2025, respectively. Depreciation and amortization expense

related to property and equipment was \$744 and \$1,783 for the three and six months ended June 30, 2024, respectively.

## **7. Other Assets**

### **Investments in Convertible Debt**

In July 2024, the Company purchased a convertible debt security for a total aggregate investment of \$3,000 with a maturity date of July 22, 2027 and annual interest rate of 10%. Interest accrues on the note and becomes payable upon conversion or maturity of the note. This convertible debt security is classified as an available-for-sale security. As of June 30, 2025, the note was included in other long-term assets in the unaudited condensed consolidated balance sheet. The Company accounts for the investment by utilizing the fair value option within ASC 825, *Financial Instruments* ("ASC 825"), and accounting for the entire hybrid instrument at fair value through other income, net.

### **Investment Loan Receivables**

In March 2024, the Company entered into a loan agreement in which it loaned \$7,000 to the borrower with a repayment date in March 2025. In addition to the loan facility, the Company entered into an option agreement with the borrower in which the Company had the right, but not the obligation, to acquire a majority of the outstanding common stock of the borrower during the period beginning July 1, 2024 and ending August 31, 2024. The Company accounted for the loan agreement and option agreement as a single financial instrument (together, the "Investment Loan Receivable"). The Company recorded the Investment Loan Receivable at its fair value of \$7,000 on the agreement date. The Company did not exercise the option agreement. During September 2024, the Company entered into an amended and restated loan agreement in which it loaned an additional \$757 to the borrower with a repayment date in March 2025. The investment loan receivable was repaid in March 2025.

## **8. Net (Loss) Income Per Share**

For the three and six months ended June 30, 2025, diluted net loss per share was calculated by dividing net loss attributable to Semrush Holdings, Inc. by the weighted-average number of shares of common stock outstanding during the period to calculate both basic and diluted net loss per share. The dilutive effect of common stock equivalents has been excluded from the calculation of diluted net loss per share for this period as its effect would have been anti-dilutive due to the net loss attributable to Semrush Holdings, Inc. incurred for the period.

For the three and six months ended June 30, 2024, diluted net income per share was calculated by dividing net income attributable to Semrush Holdings, Inc. by the weighted-average number of shares of common stock outstanding during the period, including the dilutive impact of stock options and shares of common stock issuable upon the vesting of RSUs. The adjustment to net income attributable to Semrush Holdings, Inc. related to the Company's redeemable noncontrolling interest was not material and did not impact net income per share for the three and six months ended June 30, 2024.

The following table presents a reconciliation of weighted-average shares outstanding used in the calculation of basic and diluted net (loss) income per share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Weighted-average shares outstanding:</b>				
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders—basic:	148,310,571	145,678,323	147,765,447	145,121,951
Dilutive effect of share equivalents resulting from stock options	—	1,940,654	—	2,066,972
Dilutive effect of share equivalents resulting from restricted stock awards	—	1,206,334	—	1,072,484
Weighted-average number of shares of common stock used in computing net (loss) income per share attributable to common stockholders—diluted:	148,310,571	148,825,311	147,765,447	148,261,407

The following potentially dilutive common stock equivalents have been excluded from the calculation of diluted weighted-average shares outstanding for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Stock options	5,002,159	2,321,962	5,099,137	3,445,481
RSUs and PSUs	8,776,305	930,049	7,233,268	1,442,837
<b>Total</b>	<b>13,778,464</b>	<b>3,252,011</b>	<b>12,332,405</b>	<b>4,888,318</b>

For the three and six months ended June 30, 2025, 910,614 and 910,614 shares of Class A common stock potentially issuable under Performance Stock Units (“PSUs”) were excluded from the table above, respectively. For the three and six months ended June 30, 2024, 1,128,021 and 1,128,021 shares of Class A common stock potentially issuable under PSUs were excluded from the table above, respectively. The performance-based conditions had not been met and were deemed improbable of achievement as of the reporting period end date.

## 9. Acquisitions, Intangible Assets, and Goodwill

### Acquisitions

#### *Third Door Media*

On October 16, 2024, the Company acquired 100% of the outstanding shares of Third Door Media, Inc. (“Third Door Media”). The Company has accounted for this transaction as a business combination under the acquisition method. The purpose of this business combination was to expand the Company’s content and educational offerings. The acquisition date fair value of the consideration transferred consisted of the following:

	Acquisition Date Fair Value	
<b>Consideration transferred</b>		
Cash paid at close	\$	5,424
Fair value of deferred purchase payments		750
<b>Total purchase consideration</b>	<b>\$</b>	<b>6,174</b>

The Company determined that the fair value of the assets acquired and liabilities assumed was \$6,174, including the cash paid at close and the fair value of the deferred purchase payments. The fair

value of deferred purchase payments represents the fair value of three holdback payments of \$250, \$200, and \$300, respectively, the first of which was paid in the first quarter of 2025. The second payment is due in the fourth quarter of 2025 and is included within other current liabilities within the unaudited condensed consolidated balance sheet as of June 30, 2025. The third payment is due in the second quarter of 2026 and is included in other long term liabilities within the unaudited condensed consolidated balance sheet as of June 30, 2025.

The table below summarizes the Company's preliminary purchase price allocation. The allocation of the purchase price is preliminary as of June 30, 2025 as the Company continues to gather information supporting the acquired assets and liabilities to finalize the purchase price allocation.

	Purchase Price Allocation	
<b>Assets acquired</b>		
Cash and cash equivalents	\$	1,755
Accounts Receivable		721
Prepaid Expenses		49
Identifiable intangible assets		2,350
Goodwill		2,769
Total assets acquired	\$	7,644
<b>Liabilities assumed</b>		
Other current liabilities	\$	59
Accrued liabilities		254
Deferred revenue		593
Deferred tax liabilities		564
Total Liabilities Assumed	\$	1,470
Fair value of assets acquired and liabilities assumed, net	\$	6,174

The Company allocated \$2,350 of the purchase price to identifiable intangible assets, of which \$1,830 related to customer relationships and the remainder related to developed technology and trade names. The Company amortizes the acquired intangible assets over the assets' useful lives using a straight-line amortization method. The Company assigned useful lives to acquired customer relationships, developed technology, and trade names, of six years, three years, and five years, respectively. The Company used the multi-period excess earnings method to value the customer relationships. The Company used the replacement cost method to value the developed technology. The Company used the relief from royalty method to value the trade names. The significant assumptions used to estimate the value of the intangible assets included the discount rate, revenue growth rates, and adjusted operating margin. After allocating the purchase price to identifiable assets acquired and liabilities assumed, the remaining purchase price was allocated to goodwill, which primarily relates to expected synergies with our existing product offerings and is not deductible for tax purposes.

#### *Exploding Topics*

On August 15, 2024, the Company completed an asset purchase agreement with Backlinko, LLC, doing business as Exploding Topics, to acquire substantially all of the assets of Exploding Topics. The Company has accounted for this transaction as a business combination under the acquisition method. The purpose of this asset acquisition was to acquire the traffic generating content of Exploding Topics. The acquisition date fair value of the consideration transferred totaled \$2,950 which includes a holdback of \$531 to be paid on August 15, 2025. This holdback amount is included in other current liabilities within the unaudited condensed consolidated balance sheet as of June 30, 2025.

The Company assigned a value of \$1,062 to the acquired identifiable intangible assets consisting of content, customer relationships, and developed technology, which are amortized over the assets' useful lives using a straight-line amortization method. The Company assigned useful lives to the acquired content, customer relationships, and developed technology, of four years, three years, and three years, respectively. The Company used the guideline public company method to value the identifiable intangible assets. After allocating the purchase price to identifiable assets acquired and liabilities assumed, the remaining purchase price of \$2,464 was allocated to goodwill, which primarily relates to expected future site traffic generation and is deductible for tax purposes. The allocation of the purchase price was final as of June 30, 2025.

*Ryte*

On July 11, 2024, the Company acquired 100% of the outstanding shares of Ryte GmbH ("Ryte"). The Company has accounted for this transaction as a business combination under the acquisition method. The purpose of this business combination was to expand the Company's Enterprise SEO solution by adding enterprise site audit and website performance monitoring. The acquisition date fair value of the consideration transferred consisted of the following:

<u>Consideration transferred</u>	<u>Acquisition Date</u>	<u>Fair Value</u>
Cash paid at close	\$	8,910
Fair value of deferred purchase payments		1,572
Total purchase consideration	\$	<u>10,482</u>

The Company determined that the fair value of the assets acquired and liabilities assumed was \$10,482, including the cash paid at close and the fair value of the deferred purchase payments. The fair value of deferred purchase payments represents the fair value of two payments of \$786 each, which will be paid July 11, 2025 and January 11, 2026, respectively. These amounts are included within other current liabilities within the unaudited condensed consolidated balance sheet as of June 30, 2025.

The table below summarizes the Company's preliminary purchase price allocation. The allocation of the purchase price is preliminary as of June 30, 2025 as the Company continues to gather information supporting the acquired assets and liabilities to finalize the purchase price allocation.

	<b>Purchase Price Allocation</b>
<b>Assets acquired</b>	
Cash and cash equivalents	\$ 1,550
Accounts Receivable	742
Prepaid Expenses	463
Other current assets	676
Other assets	100
Identifiable intangible assets	2,630
Goodwill	10,489
Total assets acquired	\$ 16,650
<b>Liabilities assumed</b>	
Accounts payable	\$ 194
Short-term debt	2,529
Accrued liabilities	457
Deferred revenue	2,708
Other liabilities	280
Total Liabilities Assumed	\$ 6,168
Fair value of assets acquired and liabilities assumed, net	\$ 10,482

The Company allocated \$2,630 of the purchase price to identifiable intangible assets, of which \$2,140 related to developed technology and the remainder related to customer relationships and trade names. The Company amortizes the acquired intangible assets over the assets' useful lives using a straight-line amortization method. The Company assigned useful lives to acquired developed technology, customer relationships, and trade names, of five years, six years, and five years, respectively. The Company used the multi-period excess earnings method to value the developed technology. The Company used the distributor method, a variation of the multi-period excess earnings method to value the customer relationships. The Company used the relief from royalty method to value the trade names. Trade names primarily relate to the Ryte brand. The significant assumptions used to estimate the value of the intangible assets included the discount rate, revenue growth rates, adjusted operating margin, and obsolescence. After allocating the purchase price to identifiable assets acquired and liabilities assumed, the remaining purchase price was allocated to goodwill, which primarily relates to expected synergies with our existing product offerings and is not deductible for tax purposes.

#### *Brand 24*

On April 29, 2024, the Company completed a stock purchase agreement to acquire approximately 58% of the voting equity interests in Brand 24 S.A. ("Brand 24"). The Company has accounted for this transaction as a business combination under the acquisition method. The purpose of the business combination was to expand our public relations business and customer base. The acquisition date fair

value of the consideration transferred consisted of the following:

<u>Consideration transferred</u>	<u>Acquisition Date</u>	
	<u>Fair Value</u>	
Cash paid at close	\$	10,650
Fair value of deferred purchase payments		2,878
Consideration transferred	\$	13,528

The Company determined that the fair value of the assets acquired and liabilities assumed was \$23,374, including the fair value of the noncontrolling interest in Brand 24 of \$9,846, which is reflected in the stockholders' equity section of the unaudited condensed consolidated balance sheet as of June 30, 2025. The fair value of the noncontrolling interest on the closing date was estimated considering the implied enterprise value and the acquired percentage of Brand 24. The fair value of deferred purchase payments represents the fair value of two payments of \$1,500 each, the first of which was paid in December 2024. The second payment is due November 12, 2025 and is included in other current liabilities within the unaudited condensed consolidated balance sheet as of June 30, 2025. The deferred purchase payments accrue interest of 2.5% per year.

The table below summarizes the Company's purchase price allocation. The allocation of the purchase price was final as of April 29, 2025.

<u>Assets acquired</u>	<u>Purchase Price</u>	
	<u>Allocation</u>	
Cash and cash equivalents	\$	1,502
Accounts Receivable		139
Operating lease right-of-use assets		331
Other assets		686
Identifiable intangible assets		9,170
Goodwill		16,375
Total assets acquired	\$	28,203
<u>Liabilities assumed</u>		
Deferred revenue, current		1,196
Deferred tax liabilities		1,411
Operating lease liabilities		331
Other liabilities		1,891
Total Liabilities Assumed	\$	4,829
Fair value of assets acquired and liabilities assumed, net	\$	23,374
Fair value of noncontrolling interest	\$	9,846
Fair value of controlling interest acquired	\$	13,528

The Company allocated \$9,170 of the purchase price to identifiable intangible assets, of which \$8,040 related to customer relationships and the remainder related to developed technology and trade names. The Company amortizes the acquired intangible assets over the assets' useful lives using a straight-line amortization method. The Company assigned useful lives to acquired customer relationships, developed technology, and trade names, of six years, five years, and five years, respectively. The Company used the multi-period excess earnings method to value the customer relationships. Customer relationships represent the underlying relationships with certain customers to provide ongoing services for products sold. To value the developed technology and trade names assets, the Company utilized the relief from royalty method. Trade names primarily relate to the Brand 24 brand. The significant assumptions used to estimate the value of the intangible assets included the discount rate, revenue growth rates, and customer attrition rates. After allocating the purchase price to identifiable assets acquired and liabilities

assumed, the remaining purchase price was allocated to goodwill, which primarily relates to expected synergies from combining operations and is not deductible for tax purposes.

### Intangible Assets

Intangible assets consist of intangible assets resulting from the Company's acquisitions and its capitalized internal-use software development costs. Intangible assets consist of the following:

As of June 30, 2025				
	Weighted Average Remaining Useful Life (years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	3.3	\$ 9,135	\$ (3,784)	\$ 5,351
Trade name	2.6	5,720	(2,825)	2,895
Content	2.2	3,178	(2,120)	1,058
Customer relationships	4.8	13,153	(3,008)	10,145
Capitalized internal-use software	2.6	22,049	(6,181)	15,868
Total as of June 30, 2025		\$ 53,235	\$ (17,918)	\$ 35,317

As of December 31, 2024				
	Weighted Average Remaining Useful Life (years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	3.8	\$ 8,671	\$ (2,787)	\$ 5,884
Trade name	3.3	5,324	(2,309)	3,015
Content	2.5	3,142	(1,695)	1,447
Customer relationships	5.3	12,058	(1,790)	10,268
Capitalized internal-use software	2.6	15,803	(4,362)	11,441
Total as of December 31, 2024		\$ 44,998	\$ (12,943)	\$ 32,055

During the three and six months ended June 30, 2025, the Company capitalized \$3,653 and \$6,532 of internal-use software development costs, respectively, which are classified as intangible assets on the accompanying unaudited condensed consolidated balance sheets and recorded amortization expense associated with its capitalized software development costs of \$677 and \$1,819, respectively. During the three and six months ended June 30, 2024, the Company capitalized \$2,354 and \$4,369 of internal-use software development costs, respectively, which are classified as intangible assets on the accompanying unaudited condensed consolidated balance sheets and recorded amortization expense associated with its capitalized software development costs of \$458 and \$904, respectively.

Amortization expense for acquired intangible assets was \$1,432 and \$2,811 for the three and six months ended June 30, 2025, respectively. Amortization expense for acquired intangible assets was \$890 and \$1,582 for the three and six months ended June 30, 2024, respectively.

As of June 30, 2025, future amortization expense is expected to be as follows:

	Amount
Remainder of 2025	\$ 4,619
2026	8,335
2027	5,989
2028	3,589
2029	2,396
Thereafter	10,389
<b>Total</b>	<b>\$ 35,317</b>

#### Goodwill

The changes in the carrying value of goodwill during the six months ended June 30, 2025 were as follows:

	Amount
Balance as of January 1, 2025	\$ 56,139
Foreign currency translation adjustment	3,785
<b>Balance as of June 30, 2025</b>	<b>\$ 59,924</b>

#### 10. Accrued expenses

Accrued expenses consist of the following:

	As of	
	June 30, 2025	December 31, 2024
Employee compensation	\$ 7,473	\$ 8,672
Income taxes payable	1,650	2,118
Other taxes payable	9,644	8,707
Vacation reserves	1,236	526
Other	624	193
<b>Total accrued expenses</b>	<b>\$ 20,627</b>	<b>\$ 20,216</b>

#### 11. Income Taxes

The Company is subject to income taxes in U.S. federal, state, and foreign jurisdictions. For the three and six months ended June 30, 2025, the Company recorded provisions for income taxes of \$4,719 and \$8,162, respectively. For the three and six months ended June 30, 2024, the Company recorded provisions for income taxes of \$4,649 and \$7,753, respectively. The Company's effective tax rate for the six months ended June 30, 2025 differs from the U.S. statutory rate due primarily to the impact of earnings in foreign jurisdictions, differences between book and tax treatment of equity awards, and the impact of the requirement to capitalize and amortize certain research and development costs which results in a current U.S. tax provision but no deferred tax benefit as a result of the valuation allowance maintained against our net deferred tax assets.

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to be in effect for the years in which differences are expected to reverse. On a periodic basis, the Company reassesses any valuation allowances it maintains on its deferred tax assets, weighing positive and negative evidence to assess the recoverability of the deferred tax assets. The Company maintains a full valuation allowance on its net deferred tax assets.

## 12. Stockholders' Equity

### Common Stock Reserved for Future Issuance

As of June 30, 2025, the Company had reserved the following shares of common stock for future issuance pursuant to the 2021 Stock Option and Incentive Plan (the "2021 Plan"):

Options outstanding	4,914,186
Common stock reserved for future issuance	13,009,682
Restricted stock units and performance stock units outstanding	11,423,011
Total authorized shares of common stock reserved for future issuance	<u>29,346,879</u>

The Company has two classes of authorized common stock: Class A common stock and Class B common stock. Each share of Class B common stock is convertible into one share of Class A common stock at the option of the holder at any time and upon certain other events. During the three months ended June 30, 2025, zero shares of Class B Common Stock were converted to Class A Common Stock. During the six months ended June 30, 2025, a total of 100,800 shares of Class B Common Stock were converted to Class A Common Stock.

## 13. Stock-Based Compensation

The Company recorded stock-based compensation expense of \$13,436 and \$22,548 during the three and six months ended June 30, 2025, respectively, and recorded \$7,166 and \$12,281 during the three and six months ended June 30, 2024, respectively. The following table shows stock-based compensation expense by where the stock-based compensation expense is recorded in the Company's unaudited condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue	\$ 116	\$ 59	\$ 160	\$ 98
Sales and marketing	2,260	1,209	3,887	1,979
Research and development	3,917	1,371	6,383	2,007
General and administrative	7,143	4,527	12,118	8,197
Total stock-based compensation	<u>\$ 13,436</u>	<u>\$ 7,166</u>	<u>\$ 22,548</u>	<u>\$ 12,281</u>

## 14. Commitments and Contingencies

### Data Providers

The Company has commitments with certain data providers expiring at various dates through 2026. As of June 30, 2025, future commitments for data services are as follows:

	As of June 30, 2025
Remainder of 2025	\$ 6,742
2026	225
2027 and thereafter	—
Total	<u>\$ 6,967</u>

### Litigation

From time to time the Company may become involved in legal proceedings or be subject to claims arising in the ordinary course of its business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently believes that the final outcome of these ordinary course

matters will not have a material adverse effect on its business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

#### Indemnification

The Company typically enters into indemnification agreements with customers in the ordinary course of business. Pursuant to these agreements, the Company indemnifies and agrees to reimburse the indemnified party for losses suffered or incurred as a result of claims of intellectual property infringement. These indemnification agreements are provisions of the applicable customer agreement. Based on when clients first sign an agreement for the Company's service, the maximum potential amount of future payments the Company could be required to make under certain of these indemnification agreements is unlimited. Based on historical experience and information known as of June 30, 2025, the Company has not incurred any costs for the above guarantees and indemnities.

In certain circumstances, the Company warrants that its services will perform in all material respects in accordance with its standard published specification documentation in effect at the time of delivery of the services to the customer for the term of the agreement. To date, the Company has not incurred significant expense under its warranties and, as a result, the Company believes the estimated fair value of these agreements is immaterial.

#### 15. Components of Other Income, Net

The components of other income, net, for the three and six months ended June 30, 2025 and 2024 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Foreign currency exchange (loss) gain	\$ (328)	\$ 128	\$ 108	\$ 573
Interest income, net	2,520	2,554	5,044	5,286
Change in fair value of convertible debt securities and investment loan receivables	107	—	1,271	—
Other, net	(12)	(66)	36	396
Other income, net	\$ 2,287	\$ 2,616	\$ 6,459	\$ 6,255

#### 16. Segment and Geographic Information

Disclosure requirements about segments of an enterprise and related information establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information of those segments to be presented in interim financial reports issued to shareholders. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. The Company and the CODM view the Company's operations and manage its business as one operating segment. Operating segments are defined as components of an enterprise about which separate discrete financial information is available that is evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance. The Company's CODM assesses the Company's performance and evaluates the allocation of resources on a consolidated basis. There is no expense or asset information, other than those included in the reconciliation below or disclosed in the unaudited consolidated financial statements, that are regularly provided to the CODM. The allocation of resources and assessment of performance of the operating segment is based on consolidated net (loss) income. The CODM considers consolidated net (loss) income in evaluating the results of the Company, making decisions about the Company's resource allocation, and in the forecasting process. Since the Company operates as one operating segment, segment asset information can be found in the unaudited consolidated financial statements. Significant segment expenses and other segment information were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 108,892	\$ 90,951	\$ 213,910	\$ 176,763
Less:				
Cost of revenue (a)	19,899	14,263	38,543	28,433
Sales (a)	21,107	15,388	41,071	30,523
Marketing (a)	20,393	17,079	39,455	33,405
Research and development (a)	19,695	17,917	38,957	34,585
General and administrative (a)	15,841	14,117	31,715	27,893
Other segment items (b)	16,302	8,793	28,588	17,062
Other income, net	(2,287)	(2,616)	(6,459)	(6,255)
Provision for income taxes	4,719	4,649	8,162	7,753
Net (loss) income	\$ (6,777)	\$ 1,361	\$ (6,122)	\$ 3,364

(a) Excludes stock-based compensation, amortization of acquired intangible assets, restructuring and other costs, and acquisition-related costs.

(b) Other segment items include those noted in (a) above.

### Geographic Data

The Company allocates, for the purpose of geographic data reporting, its revenue based upon the location of the customer. Total revenue by geographic area was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue:</b>				
United States	\$ 47,167	\$ 42,696	\$ 93,104	\$ 83,342
United Kingdom	9,320	8,574	18,565	16,898
Other	52,405	39,681	102,241	76,523
Total revenue	\$ 108,892	\$ 90,951	\$ 213,910	\$ 176,763

Property and equipment, net by geographic location consists of the following:

	As of	
	June 30, 2025	December 31, 2024
<b>Property and equipment, net:</b>		
United States	\$ 2,643	\$ 2,960
Netherlands	1,740	1,775
Spain	1,208	862
Other	1,082	937
Total assets	\$ 6,673	\$ 6,534

## 17. Subsequent Events

On July 31, 2025, a special committee composed of independent members of our board of directors authorized a share repurchase program to repurchase up to \$150.0 million of the Company's outstanding Class A common stock. Under this new program, the Company may purchase its Class A common stock from time to time on the open market (including pursuant to Rule 10b5-1 trading plans), through privately negotiated transactions, or other available legally permissible means, each in compliance with Rule 10b-18 under the Exchange Act. The share repurchase program has no time limit, does not obligate the Company to acquire a specified number of shares, and may be suspended, modified, or terminated at any time, without prior notice, subject to the discretion of the Company's management. The number of shares to be repurchased will depend on market conditions and other factors.

## 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 the unaudited condensed consolidated financial statements and related notes that are included elsewhere in this Quarterly Report on Form 10-Q, along with the information included in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the Securities and Exchange Commission (the "SEC") on March 3, 2025. Some of the information contained in this discussion and analysis, including information with respect to our planned investments in our research and development, sales and marketing, and general and administrative functions, contains forward-looking statements based upon current plans, beliefs, and expectations that involve risks, uncertainties, and assumptions. 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 the section titled "Special Note Regarding Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q and Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

### Company Overview

We are a leading online visibility management software-as-a-service ("SaaS") platform. We enable companies globally to identify and reach the right audience for their content, in the right context, and through the right channels. Our platform utilizes data and intelligence at the core surrounded by AI-powered interconnected hubs focused on AI optimization, search engine optimization, paid advertising, social media management, local marketing, brand marketing, and content marketing. Each of these marketing channel hubs is uniquely designed to ensure our customers can analyze, enhance and measure website navigation and performance, content relevance and authority, and overall prospective customer interests and engagement, and most importantly show how each channel is connected to the others to provide a much needed means for our customers to optimize returns on their investments.

We generate nearly all of our revenue from subscriptions to our online visibility management SaaS platform under a SaaS model and other products. Subscription revenue is recognized ratably over the contract term beginning on the date on which we provide the customer access to our platform.

Our revenue is primarily generated through sales of our products around the globe. The largest portion of our revenue continues to be driven by customers based in the United States and United Kingdom, generating combined revenues of \$56.5 million and \$111.7 million for the three and six months ended June 30, 2025, respectively, and \$51.3 million and \$100.2 million for the three and six months ended June 30, 2024, respectively.

We have one reportable segment. See Note 16 "Segment and Geographic Information" to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

As of June 30, 2025, we operate subsidiaries in the United States, Spain, the Czech Republic, the Netherlands, Cyprus, Serbia, Poland, Germany, Armenia, Canada, France, the United Kingdom, and Vietnam.

## Key Factors Affecting Our Performance

We regularly review a number of factors that have impacted, and we believe will continue to impact, our results of operations and growth. These factors include:

### *Acquiring New Paying Customers*

We expect increasing demand for third-party online visibility software, particularly enterprise and artificial intelligence solutions, to accelerate adoption of our platform and products. Our recurring subscription model provides significant visibility into our future results and we believe Annual Recurring Revenue (“ARR”) is the best indicator of the scale of our platform and products, while mitigating fluctuations due to seasonality and contract term. We define ARR as the total subscription revenue as of a given date that we expect to contractually receive over the subsequent 12 months from customers on an annualized basis, assuming no increases, reductions or cancellations.

This ARR definition was updated in our Annual Report on Form 10-K for the period ended December 31, 2024 to simplify the explanation of our calculation around the treatment of monthly and longer-term contracts, and to be more consistent with other SaaS businesses, which we believe improves the ability for investors to compare our metric against other businesses. Additionally, our definition was updated to note that we do not assume there will be any increases, reductions, or cancellations. Given our efforts to retain and win back customers, and our belief that we will be successful in many of those retention efforts, we believe the updated definition is more accurate. We did not recast ARR results to conform ARR under the prior definition to the updated definition as there is no variance between the two definitions for the periods presented.

As of June 30, 2025, we had \$435.3 million in ARR from approximately 116,000 paying customers, an increase from \$377.7 million in ARR as of June 30, 2024 from approximately 116,000 paying customers. During the three months ended June 30, 2025, we experienced a decrease of approximately 2,000 paying customers. This decrease was primarily attributable to softness at the lower end of the market where our customer segment includes freelancers and less sophisticated users who have historically had the highest churn rate of our customer cohorts. We believe this softness is attributable to macro-economic pressures and increases in paid search cost-per-click in the fiscal quarter.

### *Retaining and Expanding Sales to Our Existing Customers*

We serve a diverse customer base across a variety of sizes and industries that is focused on maximizing their online visibility. We believe there is significant opportunity to expand within our existing customer base as customers often initially purchase our entry-level subscription, which offers lower usage limits and limited user licenses, as well as fewer features and functionality. We have demonstrated the ability to expand contract values with our existing customers as they use our products and recognize the critical nature of our platform and often seek premium offerings through incremental usage, features, add-ons, and additional user licenses.

Our sales team is largely focused on driving account expansion by encouraging our customers to fully recognize the potential benefit from our comprehensive platform and the additional features and functionalities available in our Enterprise SEO and AI Optimization (“AIO”) solutions. As a result, we continue to see increased momentum cross-selling our broader digital marketing platform within our existing customer base. Our customer cohorts typically experience their lowest dollar-based net revenue retention rate during their second full year after becoming a customer, after which the dollar-based net revenue retention rate typically improves and we are able to drive increased spending across the remaining customers within the cohort.

Our dollar-based net revenue retention rate enables us to evaluate our ability to retain and expand subscription revenue generated from our existing customers. Our dollar-based net revenue retention rate as of June 30, 2025 and December 31, 2024 was approximately 105% and 106%, respectively.

We calculate our dollar-based net revenue retention rate as of the end of a period by using (a) the revenue from our customers during the twelve month period ending one year prior to such period as the denominator and (b) the revenue from those same customers during the twelve months ending as of the end of such period as the numerator. This calculation excludes revenue from new customers and any non-recurring revenue.

We have successfully increased ARR per paying customer over time and believe this metric is an indicator of our ability to grow the long-term value of our platform and products. We expect ARR per paying customer to continue to increase as customers adopt our premium offerings and we continue to introduce new products and functionality. Our ARR per paying customer as of June 30, 2025 and June 30, 2024 was \$3,756 and \$3,253, respectively, in absolute unrounded amounts. We define ARR per paying customer as of a given date as ARR from our paying customers as of that date divided by the number of paying customers as of that date. We define the number of paying customers as the number of unique business and individual customers as of a given date. We define a business customer as all accounts that contain a common non-individual business email domain (e.g., all subscriptions with an email domain of @XYZ.com will be considered to be one customer), and an individual customer as an account that uses an individual non-business email domain.

#### *Sustaining Product and Technology Innovation*

We have a strong track record of developing new products that have high adoption rates among our paying customers. Our product development organization plays a critical role in continuing to enhance the effectiveness and differentiation of our technology in an evolving landscape and maximizing retention of our existing customers. We intend to continue investing in product development and Generative AI to improve our data assets, expand our products and enhance our technological capabilities. We have recently expanded our offerings to include Enterprise AIO, a Semrush Enterprise solution that provides businesses with the tools to track, control, and optimize brand presence across AI-powered search platforms, and AI Toolkits, an AI-powered, all-in-one platform that provides businesses with streamlined workflows, centralized marketing tools, and the ability to drive measurable performance.

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

In addition to our financial results determined in accordance with U.S. generally accepted accounting principles (“GAAP”), we believe that non-GAAP income from operations, non-GAAP income from operations margin, free cash flow and free cash flow margin, each a non-GAAP financial measure, are useful in evaluating the performance of our business.

#### Non-GAAP income from operations and non-GAAP income from operations margin

We define non-GAAP income from operations as GAAP income from operations, excluding stock-based compensation, amortization of acquired intangible assets, acquisition-related costs, restructuring costs and other one-time expenses outside the ordinary course of business. We define non-GAAP operating margin as non-GAAP income from operations divided by GAAP revenue. We believe investors may want to consider our results with and without the effects of these items in order to compare our financial performance with that of other companies that exclude such items and to compare our results to prior periods.

**Stock-based compensation.** Stock-based compensation is a non-cash expense accounted for in accordance with Financial Accounting Standards Board ("FASB") ASC Topic 718. We believe that the exclusion of stock-based compensation expense allows for financial results that are more indicative of our operational performance and provide for a useful comparison of our operating results to prior periods and to our peer companies because stock-based compensation expense varies from period to period and company to company due to such things as differing valuation methodologies, timing of awards and changes in stock price.

**Amortization of acquired intangible assets.** Excluding amortization of acquired intangible assets from non-GAAP expense and income measures allows management and investors to evaluate results "as-if" the acquired intangible assets had been developed internally rather than acquired and, therefore, provides a supplemental measure of performance in which our acquired intellectual property is treated in a comparable manner to our internally developed intellectual property. These amounts are inconsistent in amount and frequency and are significantly impacted by the timing and size of acquisitions. Although we exclude amortization of acquired intangible assets from our non-GAAP expenses, we believe that it is important for investors to understand that such intangible assets contribute to revenue generation.

**Restructuring and other costs.** Restructuring and other costs include restructuring expenses as well as other charges that are unusual in nature, are the result of unplanned events, and arise outside the ordinary course of our business. Restructuring expenses consist of employee severance costs, charges for the closure of excess facilities and other contract termination costs. Other costs include litigation contingency reserves, asset impairment charges, relocation expenses associated with the migration of employees in 2022 that occurred throughout 2022 and early 2023, and gains or losses on the sale or disposition of certain non-strategic assets or product lines.

**Acquisition-related costs.** In recent years, we have completed a number of acquisitions, which result in transition, integration and other acquisition-related expense which would not otherwise have been incurred, are unpredictable, and dependent on a significant number of factors that are deal-specific or outside of our control, are not indicative of our operational performance (or that of the acquired businesses or assets), and are likely to fluctuate as our acquisition activity increases or decreases in future periods. By excluding acquisition-related costs and adjustments from our non-GAAP measures, management is better able to evaluate our ability to utilize our existing assets and estimate the long-term value that acquired assets will generate for us.

	Six Months Ended June 30, (in thousands)	
	2025	2024
(Loss) income from operations	\$ (4,419)	\$ 4,862
Stock-based compensation expense	22,548	12,281
Amortization of acquired intangibles	2,811	1,582
Restructuring and other costs	2,400	2,124
Acquisition-related costs, net	829	1,075
<i>Non-GAAP income from operations</i>	<u>\$ 24,169</u>	<u>\$ 21,924</u>

The following table sets forth a reconciliation of our (loss) income from operations (as a percentage of revenue) to non-GAAP income from operations margin (percentage amounts may not sum due to rounding):

	Six Months Ended June 30,	
	2025	2024
(Loss) income from operations (as a percentage of revenue)	(2.1)%	2.8 %
Stock-based compensation expense (as a percentage of revenue)	10.5 %	6.9 %
Amortization of acquired intangibles (as a percentage of revenue)	1.3 %	0.9 %
Restructuring and other costs (as a percentage of revenue)	1.1 %	1.2 %
Acquisition-related costs, net (as a percentage of revenue)	0.4 %	0.6 %
<i>Non-GAAP income from operations margin</i>	11.3 %	12.4 %

*Free cash flow and free cash flow margin*

We define free cash flow, a non-GAAP financial measure, as net cash provided by operating activities less purchases of property and equipment and capitalized software development costs. We define free cash flow margin as free cash flow divided by GAAP revenue. We monitor free cash flow and free cash flow margin as two measures of our overall business performance, which enables us to analyze our future performance without the effects of non-cash items and allows us to better understand the cash needs of our business. While we believe that free cash flow and free cash flow margin are useful in evaluating our business, free cash flow and free cash flow margin are each non-GAAP financial measures that have limitations as an analytical tool, and free cash flow and free cash flow margin should not be considered as an alternative to, or substitute for, net cash provided by operating activities in accordance with GAAP. The utility of free cash flow and free cash flow margin as a measure of our liquidity is further limited as each measure does not represent the total increase or decrease in our cash balance for any given period. In addition, other companies, including companies in our industry, may calculate free cash flow and free cash flow margin differently or not at all, which reduces the usefulness of free cash flow and free cash flow margin as a tool for comparison. A summary of our cash flows from operating, investing, and financing activities is provided below. We recommend that you review the reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable GAAP financial measure, and the reconciliation of free cash flow margin to net cash provided by operating activities (as a percentage of revenue), the most directly comparable GAAP financial measure, and that you not rely on free cash flow, free cash flow margin or any single financial measure to evaluate our business.

	Six Months Ended June 30, (in thousands)	
	2025	2024
Net cash provided by operating activities	\$ 22,793	\$ 26,922
Net cash used in investing activities	(17,029)	(6,187)
Net cash (used in) provided by financing activities	(1,077)	2,560
Effect of exchange rate changes on cash and cash equivalents	760	(614)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 5,447	\$ 22,681

	Six Months Ended June 30, (in thousands)	
	2025	2024
Net cash provided by operating activities	\$ 22,793	\$ 26,922
Purchases of property and equipment	(1,329)	(2,906)
Capitalization of internal-use software costs	(6,532)	(4,369)
Free cash flow	\$ 14,932	\$ 19,647

The following table sets forth a reconciliation of our net cash provided by operating activities (as a percentage of revenue) to free cash flow margin (percentage amounts may not sum due to rounding):

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities (as a percentage of revenue)	10.7 %	15.2 %
Purchases of property and equipment (as a percentage of revenue)	(0.6)%	(1.6)%
Capitalization of internal-use software costs (as a percentage of revenue)	(3.1)%	(2.5)%
Free cash flow margin	7.0 %	11.1 %

## Components of our Results of Operations

### Revenue

We generate nearly all of our revenue from subscriptions to our online visibility management SaaS platform under a SaaS model. Subscription revenue is recognized ratably over the contract term beginning on the date on which we provide the customer access to our platform. Our customers do not have the right to take possession of our software. Our subscriptions are generally non-cancellable during the contractual subscription term, however some of our subscription contracts contain a right to a refund if requested within seven days of purchase.

### Cost of Revenue

Cost of revenue primarily consists of expenses related to hosting our platform and products, acquiring data, merchant account fees, and providing support to our customers. These expenses are comprised of personnel and related costs, including salaries, benefits, incentive compensation, and stock-based compensation expense related to the management of our data centers, our customer support team, and our customer success team. In addition to these expenses, we incur third-party service provider costs, such as data center and networking expenses, data acquisition costs, allocated overhead costs, depreciation and amortization expense associated with our property and equipment, and amortization of capitalized software development costs and intangible assets acquired through business combinations and asset acquisitions. We allocate overhead costs, such as rent and facility costs, certain information technology costs, and employee benefit costs to all departments based on headcount. As such, general overhead expenses are reflected in cost of revenue and each operating expense category.

We expect our cost of revenue to increase in absolute dollars due to expenditures related to the purchase of hardware, data, expansion, and support of our data center operations and customer support/success teams. We have seen improvement in our cost of revenue as a percentage of revenue as revenue has increased, and expect it to remain near current levels. It may fluctuate from period to period depending on the timing of significant expenditures. To the extent that our customer base grows, we intend to continue to invest additional resources in expanding the delivery capability of our products and other services. The timing of these additional expenses could affect our cost of revenue, both in terms of absolute dollars and as a percentage of revenue in any particular quarterly or annual period.

### Operating Expenses

#### Sales and Marketing

Sales and marketing expenses primarily consist of personnel and related costs directly associated with our sales and marketing department, including salaries, benefits, incentive compensation, and stock-based compensation, online advertising expenses, and marketing and promotional expenses, as well as allocated overhead costs. We expense all costs as they are incurred, excluding sales commissions identified as incremental costs to obtain a contract, which are capitalized and amortized on a straight-line

basis over the average period of benefit, which we estimate to be two years. We expect that our sales and marketing expenses will fluctuate as a percentage of revenue based on the timing of related costs. New sales personnel require training and may take several months or more to achieve productivity; as such, the costs we incur in connection with the hiring of new sales personnel in a given period are not typically offset by increased revenue in that period and may not result in new revenue if these sales personnel fail to become productive.

#### *Research and Development*

Research and development expenses primarily consist of personnel and related costs, including salaries, benefits, incentive compensation, stock-based compensation, and allocated overhead costs. Research and development expenses also include depreciation expense and other expenses associated with product development. Other than internal-use software costs that qualify for capitalization, research and development costs are expensed as incurred. We plan to increase the dollar amount of our investment in research and development for the foreseeable future as we focus on developing new AI-specific products, features, and enhancements to our platform. We believe these investments will improve customer experience, make our platform more attractive to new paying customers, and provide us with opportunities to expand sales to existing paying customers and convert free customers to paying customers.

#### *General and Administrative*

General and administrative expenses primarily consist of personnel and related expenses, including salaries, benefits, incentive compensation, and stock-based compensation, associated with our finance, legal, human resources, IT, and other administrative employees. Our general and administrative expenses also include professional fees for external legal, accounting, and other consulting services, insurance, depreciation and amortization expense, as well as allocated overhead. We expect to increase the size of our general and administrative functions to support the growth of our business. We expect to continue to incur additional expenses as a result of operating as a public company, including costs to comply with rules and regulations applicable to companies listed on a U.S. securities exchange, costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC, increases in insurance premiums, investor relations and professional services. We expect our general and administrative expenses to decrease as a percentage of revenue over time.

#### *Other Income, Net*

Included in other income, net are foreign currency transaction gains and losses. The functional currencies of our international locations are the local currencies for these regions. Any differences resulting from the re-measurement of assets and liabilities denominated in a currency other than the functional currency are recorded within other income, net. We continue to expect our foreign currency exchange gains and losses to continue to fluctuate in the future as foreign currency exchange rates change.

Other income, net also includes amounts for interest income and expense, other miscellaneous income and expense, and gains and losses unrelated to our core operations. We have elected the fair value option in respect to the accounting for our convertible debt securities and investment loan receivable investments, allowing for increases and decreases in the fair value of such investments to be recorded to other income, net for each reporting period. Interest expense is related to interest associated with outstanding finance leases.

#### *Income Tax Provision*

We operate in several tax jurisdictions and are subject to taxes in each country or jurisdiction in which we conduct business. We account for income taxes in accordance with the asset and liability method.

Under this method, deferred tax assets and liabilities are recognized based on temporary differences between the financial reporting and income tax bases of assets and liabilities using statutory rates. In addition, this method requires a valuation allowance against net deferred tax assets if, based upon the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. Based on our recent financial performance, and expected long-term future projections, we believe we may be able to record a reversal of all, or a portion of the valuation allowance associated with U.S. deferred tax assets in future periods. However, any such change is subject to actual performance and other considerations that may present positive or negative evidence at the time of the assessment. Our tax expense for the three and six months ended June 30, 2025 and 2024 primarily relates to increased profits in our foreign subsidiaries, the non-deductibility of certain equity awards and the requirement to capitalize certain research and development costs which results in a current U.S. tax provision but no deferred tax benefit as a result of the valuation allowance maintained against our net deferred tax assets.

On July 4, 2025, the One Big Beautiful Bill Act, or the "OBBBA", was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. The Company is currently assessing its impact on our consolidated financial statements.

## Results of Operations

The following tables set forth information comparing our results of operations in dollars and as a percentage of total revenue for the periods presented. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Revenue	\$ 108,892	\$ 90,951	\$ 213,910	\$ 176,763
Cost of revenue (1)	21,110	14,957	40,981	29,602
Gross profit	87,782	75,994	172,929	147,161
Operating expenses				
Sales and marketing (1)	45,011	35,000	86,318	68,921
Research and development (1)	23,801	19,288	45,713	36,592
General and administrative (1)	23,315	18,312	45,317	36,786
Total operating expenses	92,127	72,600	177,348	142,299
(Loss) income from operations	(4,345)	3,394	(4,419)	4,862
Other income, net	2,287	2,616	6,459	6,255
Income before income taxes	(2,058)	6,010	2,040	11,117
Provision for income taxes	4,719	4,649	8,162	7,753
Net (loss) income	(6,777)	1,361	(6,122)	3,364
Net loss attributable to noncontrolling interest in consolidated subsidiaries	(210)	(298)	(404)	(433)
Net (loss) income attributable to Semrush Holdings, Inc.	\$ (6,567)	\$ 1,659	\$ (5,718)	\$ 3,797

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Cost of revenue	\$ 116	\$ 59	\$ 160	\$ 98
Sales and marketing	2,260	1,209	3,887	1,979
Research and development	3,917	1,371	6,383	2,007
General and administrative	7,143	4,527	12,118	8,197
Total stock-based compensation	\$ 13,436	\$ 7,166	\$ 22,548	\$ 12,281

The following table sets forth our unaudited condensed consolidated statements of operations data expressed as a percentage of revenue for the periods indicated (amounts may not sum due to rounding):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(as a percentage of total revenue)			
Revenue	100 %	100 %	100 %	100 %
Cost of revenue	19 %	16 %	19 %	17 %
Gross profit	81 %	84 %	81 %	83 %
Operating expenses				
Sales and marketing	41 %	38 %	40 %	39 %
Research and development	22 %	21 %	21 %	21 %
General and administrative	21 %	20 %	21 %	21 %
Total operating expenses	85 %	79 %	83 %	81 %
(Loss) income from operations	(4)%	4 %	(2)%	3 %
Other income, net	2 %	3 %	3 %	4 %
(Loss) income before income taxes	(2)%	7 %	1 %	6 %
Provision for income taxes	4 %	5 %	4 %	4 %
Net (loss) income	(6)%	1 %	(3)%	2 %
Net loss attributable to noncontrolling interest in consolidated subsidiaries	— %	— %	— %	— %
Net (loss) income attributable to Semrush Holdings, Inc.	(6)%	2 %	(3)%	2 %

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

#### Revenue

Our revenue during the three and six months ended June 30, 2025 and 2024 was as follows:

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Revenue	\$ 108,892	\$ 90,951	\$ 17,941	20 %	\$ 213,910	\$ 176,763	\$ 37,147	21 %

For the three and six months ended June 30, 2025 revenue increased by \$17.9 million and \$37.1 million, respectively. The majority of this increase was driven by strong upsell and cross sell activity. This trend is also reflected in the growth of ARR per paying customer to \$3,756 as of June 30, 2025 from \$3,253 as of June 30, 2024.

Revenue based upon the locations of our paying customers during the three and six months ended June 30, 2025 and 2024 was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)		(in thousands)	
Revenue:				
United States	\$ 47,167	\$ 42,696	\$ 93,104	\$ 83,342
United Kingdom	9,320	8,574	18,565	16,898
Other	52,405	39,681	102,241	76,523
Total revenue	\$ 108,892	\$ 90,951	\$ 213,910	\$ 176,763

*Cost of Revenue, Gross Profit and Gross Margin*

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Revenue	\$ 108,892	\$ 90,951	\$ 17,941	20 %	\$ 213,910	\$ 176,763	\$ 37,147	21 %
Cost of revenue	\$ 21,110	\$ 14,957	\$ 6,153	41 %	\$ 40,981	\$ 29,602	\$ 11,379	38 %
Gross profit	\$ 87,782	\$ 75,994	\$ 11,788	16 %	\$ 172,929	\$ 147,161	\$ 25,768	18 %
Gross margin	81 %	84 %			81 %	83 %		

For the three months ended June 30, 2025, cost of revenue increased by \$6.2 million compared to the corresponding period of the prior year. This increase is primarily driven by a \$3.0 million increase in integration and data costs, a \$0.8 million increase in personnel costs, a \$0.6 million increase in depreciation and amortization costs, a \$0.6 million increase in hosting fees, and a \$0.3 million increase in merchant fees.

For the six months ended June 30, 2025, cost of revenue increased by \$11.4 million compared to the corresponding period of the prior year. This increase is primarily driven by a \$5.0 million increase in integration and data costs, a \$2.1 million increase in depreciation and amortization costs, a \$1.6 million increase in personnel costs, a \$0.8 million increase in merchant fees, and a \$0.7 million increase in hosting fees.

## Operating Expenses

### Sales and Marketing

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Sales and marketing	\$ 45,011	\$ 35,000	\$ 10,011	29 %	\$ 86,318	\$ 68,921	\$ 17,397	25 %
Percentage of total revenue	41 %	38 %			40 %	39 %		

For the three months ended June 30, 2025, sales and marketing expense increased by \$10.0 million compared to the corresponding period of the prior year. This increase was primarily driven by a \$8.1 million increase in personnel costs as a result of higher wage and stock-based compensation driven by a 16% increase in headcount compared to the corresponding period of the prior year, a \$1.1 million increase in advertising costs, and a \$0.7 million increase in allocable overhead costs.

For the six months ended June 30, 2025, sales and marketing expense increased by \$17.4 million compared to the corresponding period of the prior year. This increase was primarily driven by a \$13.3 million increase in personnel costs as a result of higher wage and stock-based compensation costs driven by a 16% increase in headcount compared to the corresponding period of the prior year, a \$1.7 million increase in advertising costs, a \$1.6 million increase in allocable overhead costs, and a \$0.8 million increase from other costs.

### Research and Development

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Research and development	\$ 23,801	\$ 19,288	\$ 4,513	23 %	\$ 45,713	\$ 36,592	\$ 9,121	25 %
Percentage of total revenue	22 %	21 %			21 %	21 %		

For the three months ended June 30, 2025, research and development expense increased by \$4.5 million compared to the corresponding period of the prior year, primarily as a result of a \$4.8 million increase in personnel costs as a result of higher wage and stock-based compensation costs driven by a 12% increase in headcount compared to the corresponding period of the prior year.

For the six months ended June 30, 2025, research and development expense increased by \$9.1 million compared to the corresponding period of the prior year, primarily as a result of a \$9.2 million increase in personnel costs as a result of higher wage and stock-based compensation costs driven by a 12% increase in headcount compared to the corresponding period of the prior year.

### General and Administrative

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
General and administrative	\$ 23,315	\$ 18,312	\$ 5,003	27 %	\$ 45,317	\$ 36,786	\$ 8,531	23 %
Percentage of total revenue	21 %	20 %			21 %	21 %		

For the three months ended June 30, 2025, general and administrative expense increased by \$5.0 million compared to the corresponding period of the prior year. This increase was primarily driven by a \$5.5 million increase in personnel costs as a result of higher wage and stock-based compensation costs.

driven by a 19% increase in headcount compared to the corresponding period of the prior year. These increases were partially offset by a \$0.4 million decrease in professional service costs.

For the six months ended June 30, 2025, general and administrative expense increased by \$8.5 million compared to the corresponding period of the prior year. This increase was primarily driven by a \$9.4 million increase in personnel costs as a result of higher wage and stock-based compensation costs driven by a 20% increase in headcount compared to the corresponding period of the prior year and a \$0.9 increase to other costs. These increases were partially offset by a \$1.6 million decrease in overhead costs allocated to general and administrative expenses.

#### Other Income, Net

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Other income, net	\$ 2,287	\$ 2,616	\$ (329)	(13)%	\$ 6,459	\$ 6,255	\$ 204	3%
Percentage of total revenue	2 %	3 %			3 %	4 %		

For the three months ended June 30, 2025, other income, net decrease by \$0.3 million compared to the corresponding period of the prior year. This decrease was primarily driven by a \$0.5 million unfavorable change in foreign currency exchange (loss) gain.

For the six months ended June 30, 2025, other income, net increased by \$0.2 million compared to the corresponding period of the prior year. This increase was primarily driven by a \$1.3 million increase in fair value adjustments relating to convertible debt securities and investment loan receivables (See Note 5 "Fair Value Measurement" and Note 7 "Other assets" to the unaudited condensed consolidated financial statements of this Quarterly Report on Form 10-Q for more information). This increase was partially offset by a \$0.5 million unfavorable change in foreign currency exchange (loss) gain and a \$0.2 decrease in interest income, net.

#### Provision for Income Taxes

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2025	2024	Amount	%	2025	2024	Amount	%
	(dollars in thousands)				(dollars in thousands)			
Provision for income taxes	\$ 4,719	\$ 4,649	\$ 70	2 %	\$ 8,162	\$ 7,753	\$ 409	5 %
Percentage of total revenue	4 %	5 %			4 %	4 %		

The increase in the provision for income taxes for the three and six months ended June 30, 2025 compared to the corresponding periods of the prior year was primarily due to the effects of changes in the tax provision recorded on the earnings of our profitable foreign subsidiaries, restrictions on the deductibility of equity awards, and the impact of the requirement to capitalize and amortize certain research and development costs which results in a current provision for U.S. taxes but no deferred tax benefit as a result of the valuation allowance maintained against our net deferred tax assets.

#### Liquidity and Capital Resources

As of June 30, 2025, we had cash and cash equivalents of \$54.3 million, short-term investments of \$204.2 million, and accounts receivable of \$14.2 million.

Our principal uses of cash in recent periods have been to fund operations, invest in capital expenditures and short-term investments, and strategically acquire new businesses and assets. This cash is held in deposits and money market funds.

We believe our existing cash, cash equivalents, and short-term investments will be sufficient to meet our operating and capital needs for at least the next 12 months. Our future capital requirements will depend on many factors, including those set forth under Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2024.

#### *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, online advertising, and hosting costs.

Net cash provided by operating activities during the six months ended June 30, 2025 was \$22.8 million. The activity resulted from a net loss of \$6.1 million adjusted for non-cash add backs of \$37.0 million and a net cash outflow of \$8.1 million from changes in operating assets and liabilities during the six months ended June 30, 2025. Non-cash charges primarily consisted of \$22.5 million of stock-based compensation expense, \$7.0 million for amortization of deferred contract acquisition costs related to capitalized commissions, \$6.3 million for depreciation and amortization expense, and \$2.5 million in non-cash lease expense. The changes in operating assets and liabilities were primarily the result of a \$9.4 million increase in deferred revenue and a \$2.6 million increase in accounts payable. These inflows were partially offset by a \$7.6 million increase in deferred contract costs, a \$5.4 million increase in accounts receivable, a \$4.2 million increase in prepaid expenses and other current assets, and a \$2.9 million decrease in operating lease liabilities.

Net cash provided by operating activities during the six months ended June 30, 2024 was \$26.9 million. The activity resulted from a net income of \$3.4 million adjusted for non-cash add backs of \$24.0 million and a net cash outflow of \$0.4 million from changes in operating assets and liabilities during the six months ended June 30, 2024. Non-cash charges primarily consisted of \$12.3 million of stock-based compensation expense and \$6.1 million for amortization of deferred contract acquisition costs related to capitalized commissions. The changes in operating assets and liabilities were primarily the result of a \$6.1 million increase in deferred contract costs, a \$4.0 million increase in prepaid expenses and other current assets, a \$2.1 million decrease in operating lease liability, and a \$0.8 million increase in accounts receivable. These outflows were partially offset by a \$7.4 million increase in deferred revenue, a \$2.9 million increase in accrued expenses, and a \$1.9 million increase in accounts payable.

#### *Investing Activities*

Net cash used in investing activities for the six months ended June 30, 2025 was \$17.0 million and primarily consisted of \$61.5 million in purchases of short-term investments, \$6.5 million in capitalization of internal-use software costs, \$1.3 million in purchases of property and equipment, and \$1.1 million in cash paid for businesses, net of cash acquired, and \$0.2 million in purchases of noncontrolling interest. These outflows were partially offset by \$46.0 million in proceeds from sales and maturities of short-term investments and \$7.7 million in proceeds from the repayment of investment loan receivables.

Net cash used in investing activities for the six months ended June 30, 2024 was \$6.2 million and primarily consisted of \$83.6 million in purchases of short-term investments, \$10.0 million in cash paid for businesses, net of cash acquired, \$7.0 million in funding of the investment loan receivable, \$4.4 million in capitalization of internal-use software costs, and \$2.9 million in purchases of property and equipment. This activity was partially offset by \$102.5 million in proceeds from sales and maturities of short-term investments.

#### *Financing Activities*

Net cash used in financing activities for the six months ended June 30, 2025 was \$1.1 million and consisted of \$1.1 million in repayment of acquired debt, \$0.4 million for taxes paid related to net share

settlement of equity awards and \$0.2 million of cash outflows related to the payment of finance leases, partially offset by \$0.6 million in proceeds relating to the exercise of stock options.

Net cash provided by financing activities for the six months ended June 30, 2024 was \$2.6 million and consisted of \$3.1 million relating to the exercise of stock options partially offset by \$0.5 million of cash outflows related to the payment of finance leases.

#### **Share Repurchase Program**

On July 31, 2025, a special committee comprised of independent members of our board of directors authorized a share repurchase program to repurchase up to \$150.0 million of the Company's outstanding Class A common stock (the "2025 Repurchase Program"). Under this inaugural program, the Company may purchase its Class A common stock from time to time on the open market (including pursuant to Rule 10b5-1 trading plans), through privately negotiated transactions, or other available legally permissible means, each in compliance with Rule 10b-18 under the Exchange Act. The timing, manner, price, and amount of the repurchase will be subject to the discretion of the Company's management, and it may be suspended or discontinued at any time.

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

Our principal commitments consist of obligations under leases for office space and leases for data center facilities. For more information regarding our lease obligations, see Note 4 "Leases" to the unaudited condensed consolidated financial statements of this Quarterly Report on Form 10-Q. In addition to our leases, we also have multi-year commitments with certain data providers expiring at various dates through 2026. For more information regarding our commitments with data providers, see Note 14 "Commitments and contingencies" to the unaudited condensed consolidated financial statements of this Quarterly Report on Form 10-Q. We expect to fund these obligations with cash flows from operations and cash on our balance sheet.

#### **Recent Accounting Pronouncements**

See Note 2 "Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q 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 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 unaudited condensed consolidated 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 critical accounting policies and estimates are described under the heading Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates in our Annual Report on Form 10-K for the year ended December 31, 2024 and in Note 2 "Summary of Significant Accounting Policies" to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

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

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure continues to primarily be a result of fluctuations in foreign currency exchange rates, interest rates, and inflation. We do not hold or issue financial instruments for trading purposes.

#### **Interest Rate Risk**

We are exposed to market risk related to changes in interest rates. Our investments primarily consist of short-term investments, commercial paper, and money market funds. As of June 30, 2025 we had cash, cash equivalents, and short-term investments of \$258.5 million. See Note 3 "Cash, Cash Equivalents, Restricted Cash, and Investments" to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for an overview of investment balances. The carrying amount of our cash and cash equivalents reasonably approximates fair value, due to the short maturities of these investments. The primary objectives of our investment activities are the preservation of capital, the fulfillment of liquidity needs and the fiduciary control of cash and investments. We are obligated by our investment policy to invest the majority of our portfolio into U.S. government securities. We do not enter into investments for trading or speculative purposes. Our short-term investments are exposed to market risk due to a fluctuation in interest rates, which may affect our interest income and the fair market value of our investments. Due to the short-term nature of our investment portfolio, we believe only dramatic fluctuations in interest rates would have a material effect on our investments. We do not believe that an immediate 10% increase in interest rates would have a material effect on the fair market value of our portfolio. As such we do not expect our operating results or cash flows to be materially affected by a sudden change in market interest rates.

#### **Foreign Currency Exchange Risk**

While we have some foreign currency risk related to a small amount of sales denominated in euros, we are not currently subject to significant foreign currency exchange risk with respect to revenue as our U.S. and international sales are predominantly denominated in U.S. dollars. However, in the fiscal quarter ended June 30, 2025, we experienced negative impacts on our non-GAAP income from operations margin, and we expect to continue to have foreign currency risk related to expenses denominated in euros and other currencies. Sales denominated in euros reflect the prevailing U.S. dollar exchange rate on the date of invoice for such sales. Increases in the relative value of the U.S. dollar to the euro may negatively affect revenue and other operating results as expressed in U.S. dollars. We incur significant expenses outside the United States denominated in foreign currencies, primarily the euro. In connection with our operations in Europe, where our expenses are incurred in euros and other currencies, we are exposed to some increased foreign currency exchange risk related to additional expenses denominated in euros. If the average exchange rates of any of these foreign currencies strengthen against the dollar, the dollar value of our expenses outside the United States will increase. For example, an immediate 10% decrease or increase in the relative value of the U.S. dollar to the euro would result in a \$6.5 million gain or loss on our unaudited condensed consolidated statements of operations and cash flows.

Global events, macroeconomic conditions, and geopolitical developments, including conflicts in Europe and the Middle East, the recent changes to U.S. trade policy, including increased tariffs on imports, and corresponding retaliatory tariffs from other countries on the U.S., and inflation, have caused, and in the future may cause additional, global economic uncertainty, which could amplify the volatility of currency fluctuations.

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, including our Chief Executive Officer and Chief 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 the end of the period covered by this Quarterly Report on Form 10-Q. Based on management's evaluation as of the quarter ended June 30, 2025, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective as of June 30, 2025.

Our management believes the unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q fairly present, in all material respects, our financial condition, results of operations and cash flows as of and for the periods presented in accordance with U.S. GAAP.

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

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended June 30, 2025, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### ***Inherent Limitations on Effectiveness of Controls***

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or 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 objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitation in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II — OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the ultimate costs to resolve any pending matter will not have a material adverse effect on our business, operating results, financial condition, or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

### Item 1A. Risk Factors

Other than the risk factors set forth below, there have been no material changes from the description of certain risks and uncertainties associated with our business that we included in Part I, Item 1A, "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2024 (the "Risk Factors"). You should carefully consider the Risk Factors before making a decision to invest in our securities.

#### Risks Related to Ownership of Our Class A Common Stock

***We cannot guarantee that our share repurchase program will be consummated at favorable prices or fully consummated, or that the program will enhance long-term shareholder value; and share repurchases could increase the volatility of the trading price of our Class A common stock and diminish our cash reserves.***

In August 2025, we announced a share repurchase program (the "2025 Repurchase Program") under which we are authorized, but not obligated, to purchase up to \$150.0 million of our outstanding Class A common stock from time to time on the open market (including pursuant to Rule 10b5-1 trading plans), through privately negotiated transactions, or other available legally permissible means. Our 2025 Repurchase Program does not have a time limit, does not obligate the Company to acquire a specified number of shares, and may be suspended, modified, or terminated at any time without prior notice, subject to the discretion of the Company's management.

There are no guarantees that we will repurchase shares at favorable prices; and the amount, the frequency, and execution of our share repurchases pursuant to the 2025 Repurchase Program may fluctuate based on our operating results, cash flows, shifting priorities for the use of cash for other purposes such as operational needs, strategic investments and acquisitions, and other capital spending, and other external factors such as changes to tax laws, unfavorable market conditions, and the price of our common stock. Further, our share repurchases could affect the trading price of our common stock, increase its volatility, and reduce our cash reserves, which may result in a lower market valuation of our common stock and may not enhance long-term shareholder value or have a positive impact on earnings per share.

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

None.

**Use of Proceeds From the IPO**

On March 24, 2021, our Registration Statement on Form S-1 (File No. 333-253730) was declared effective by the SEC for our IPO. There has been no material change in the use of proceeds from our IPO as described in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the SEC on March 3, 2025.

**Issuer Purchases of Equity Securities**

None.

**Item 5. Other Information****(c) Securities Trading Plans of Directors and Executive Officers**

During the three months ended June 30, 2025, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

The exhibits listed below are filed or incorporated by reference in this Quarterly Report on Form 10-Q.

<u>Exhibit Number</u>	<u>Exhibit Title</u>
<a href="#">3.1(1)</a>	Amended and Restated Certificate of Incorporation of the Registrant
<a href="#">3.2(2)</a>	Third Amended and Restated Bylaws of the Registrant
<a href="#">3.3(3)</a>	Certificate of Amendment of the Amended and Restated Certificate of Incorporation of the Registrant
<a href="#">4.1(4)</a>	Form of Class A common stock certificate of the Registrant
<a href="#">10.1#*</a>	Employment Agreement between the Registrant and Brian Mulroy, amended and restated as of May 19, 2025
<a href="#">31.1*</a>	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
<a href="#">31.2*</a>	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended

[32.1+](#)

Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act

101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page with Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibit 101)

(1) Filed as Exhibit 3.2 to the Registrant's Registration Statement on Form S-1/A filed with the Securities and Exchange Commission on March 16, 2021, and incorporated herein by reference.

(2) Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 4, 2024, and incorporated herein by reference.

(3) Filed as Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 10, 2024, and incorporated herein by reference.

(4) Filed as Exhibit 4.1 to the Registrant's Registration Statement on Form S-1/A filed with the Securities and Exchange Commission on March 16, 2021, and incorporated herein by reference.

\* Filed herewith.

# Indicates management contract or compensatory plan, contract, or agreement.

+ The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

**SIGNATURES**

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

SEMRUSH HOLDINGS, INC.

August 7, 2025

By: /s/ William Wagner  
William Wagner  
Chief Executive Officer  
(Principal Executive Officer)

August 7, 2025

By: /s/ Brian Mulroy  
Brian Mulroy  
Chief Financial Officer  
(Principal Financial Officer and Principal Accounting Officer)

**SEMRUSH, INC.**

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement (“Agreement”) dated as of May 19, 2025 (the “Effective Date”), is made between Semrush Holdings, Inc., a Delaware corporation, and/or to the extent applicable, its subsidiary entities (the “Company”), and Brian Mulroy (the “Executive”). Except with respect to the Equity Documents (as defined below), this Agreement supersedes and replaces in all respects all prior agreements between you and the Company regarding the subject matter herein, including that certain Employment Agreement by and between the Company and the Executive dated as of September 8, 2023, as well as any offer letter, employment agreement or severance agreement (the “Prior Agreement”).

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Employment.

(a) Term. The Company shall employ you and you shall be employed by the Company pursuant to this Agreement commencing as of the Effective Date and continuing until such employment is terminated in accordance with the provisions hereof (the “Term”). Your employment with the Company will continue to be “at will,” meaning that your employment may be terminated by the Company or you at any time and for any reason subject to the terms of this Agreement.

(b) Position and Duties. You shall serve as the Chief Financial Officer of the Company and shall have such powers and duties as may from time to time be prescribed by the Board of Directors (the “Board”), including by the Talent Compensation Committee, Chief Executive Officer (“CEO”), or other duly authorized executive. You shall devote your full working time and efforts to the business and affairs of the Company. Notwithstanding the foregoing, you may serve on other boards of directors, with the approval of the Board, or engage in religious, charitable or other community activities as long as such services and activities are disclosed to the Board and do not interfere with your performance of your duties to the Company.

2. Compensation and Related Matters.

(a) Base Salary. Your base salary shall be paid at the rate of \$450,000 per year. Your base salary shall be subject to periodic review, but at least annually, by the Board or the Talent and Compensation Committee of the Board (the “Compensation Committee”). The base salary in effect at any given time is referred to herein as “Base Salary.” The Base Salary shall be payable in a manner that is consistent with the Company’s usual payroll practices for executive officers.

(b) Incentive Compensation. You shall be eligible to receive cash incentive compensation as determined by the Board or the Compensation Committee from time to time. Your initial target annual incentive compensation shall be one-hundred (100) percent of your Base Salary. The target annual incentive compensation in effect at any given time is referred to herein as "Target Bonus." The actual amount of your annual incentive compensation, if any, shall be determined in the sole discretion of the Board or the Compensation Committee, subject to the terms of any applicable incentive compensation plan that may be in effect from time to time. Except as otherwise provided herein, to earn incentive compensation, you must be employed by the Company on the day such incentive compensation is paid.

(c) Expenses. You shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by you during the Term in performing services hereunder, in accordance with the policies and procedures then in effect and established by the Company for its executive officers.

(d) Other Benefits. You shall be eligible to participate in or receive benefits under the Company's employee benefit plans in effect from time to time, subject to the terms of such plans.

(e) Paid Time Off. You shall be entitled to take paid time off in accordance with the Company's applicable paid time off policy for executives, as may be in effect from time to time.

(f) Equity. The equity awards held by you shall continue to be governed by the terms and conditions of the Company's applicable equity incentive plan(s) and the applicable award agreement(s) governing the terms of such equity awards held by you (collectively, the "Equity Documents"); provided, however, and notwithstanding anything to the contrary in the Equity Documents, Section 6(a)(ii) of this Agreement shall apply in the event of a termination by the Company without Cause or by you for Good Reason in either event within the Sale Event Period (as such terms are defined below).

3. Termination. Your employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

(a) Death. Your employment hereunder shall terminate upon death.

(b) Disability. The Company may terminate your employment if you are disabled and unable to perform or expected to be unable to perform the essential functions of your then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period you are disabled so as to be unable to perform the essential functions of your then existing position or positions with or without reasonable accommodation, you may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom you or your guardian has no reasonable objection as to whether you are disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. You shall cooperate with any reasonable request of the

physician in connection with such certification. If such question shall arise and you shall fail to submit such certification, the Company's determination of such issue shall be binding on you. Nothing in this Section 3(b) shall be construed to waive your rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 et seq. and the Americans with Disabilities Act, 42 U.S.C. §12101 et seq.

(c) Termination by Company for Cause. The Company may terminate the your employment hereunder for Cause. For purposes of this Agreement, "Cause" shall mean any of the following:

(i) subject to the Cure Period, conduct by you constituting a material act of misconduct in connection with the performance of your duties, including, without limitation, (A) willful failure or refusal to perform material responsibilities that have been requested by the Board or the CEO; (B) dishonesty to the Board or CEO with respect to any material matter; or (C) misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes;

(ii) the commission by you of acts satisfying the elements of (A) any felony or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud;

(iii) subject to the Cure Period, any misconduct by you, regardless of whether or not in the course of your employment, that would reasonably be expected to result in material injury or material reputational harm to the Company or any of its subsidiaries or affiliates if you were to continue to be employed in the same position;

(iv) subject to the Cure Period, a material breach by you of any of the provisions contained in Section 8 of this Agreement or the Restrictive Covenants Agreement (as defined below);

(v) subject to the Cure Period, a material violation by you of any of the Company's written employment policies ; or

(vi) subject to the Cure Period, your failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation.

The "Cure Period" means that, if the alleged violation is reasonably, curable, (i) the Company provides you with 30 days' advance written notice of the alleged violation(s); and (ii) you fail to cure the alleged violation within such 30 day period. Notwithstanding anything to the contrary in this Agreement, if the alleged violation is not curable, then the Cure Period shall not apply.

(d) Termination by the Company without Cause. The Company may terminate your employment hereunder at any time without Cause. Any termination by the Company of your employment under this Agreement which does not constitute a termination for

Cause under Section 3(c) and does not result from the death or disability of you under Section 3(a) or (b) shall be deemed a termination without Cause.

(e) Termination by You. You may terminate employment hereunder at any time for any reason, including but not limited to, Good Reason. For purposes of this Agreement, “Good Reason” shall mean that you have completed all steps of the Good Reason Process (hereinafter defined) following the occurrence of any of the following events without your consent (each, a “Good Reason Condition”):

- (i) a material diminution in your title, responsibilities, authority, reporting structure, or duties;
- (ii) a material diminution in your Base Salary except for across-the-board salary reductions based on the Company’s financial performance similarly affecting all or substantially all senior management employees of the Company;
- (iii) a material change in the geographic location at which you provide services to the Company, such that there is an increase of at least thirty (30) miles of driving distance to such location from your principal residence as of such change; or
- (iv) a material breach of this Agreement by the Company.

The “Good Reason Process” consists of the following steps:

- (i) you reasonably determine in good faith that a Good Reason Condition has occurred;
- (ii) you notify the Company in writing of the Good Reason Condition within a reasonable time following the occurrence of such Good Reason Condition;
- (iii) you cooperate in good faith with the Company’s efforts, for a period of not less than 30 days following such notice (the “Cure Period”), to remedy the Good Reason Condition;
- (iv) notwithstanding such efforts, the Good Reason Condition continues to exist; and
- (v) you terminate employment within 60 days after the end of the Cure Period.

If the parties agree in good faith that the Company cured the Good Reason Condition during the Cure Period, Good Reason shall be deemed not to have occurred.

If your employment with the Company is terminated for any reason, the Company shall pay or provide to you (or your authorized representative or estate) (i) any Base Salary earned through the Date of Termination; (ii) unpaid expense reimbursements (subject to, and in accordance with, Section 2(c) of this Agreement); and (iii) any vested benefits you may have under any employee benefit plan of the Company through the Date of Termination, which vested benefits shall be

paid and/or provided in accordance with the terms of such employee benefit plans (collectively, the "Accrued Obligations").

4. Notice and Date of Termination.

(a) Notice of Termination. Except for termination as specified in Section 3(a), any termination of your employment by the Company or any such termination by you shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

(b) Date of Termination. "Date of Termination" shall mean: (i) if your employment is terminated by death, the date of death; (ii) if your employment is terminated on account of disability under Section 3(b) or by the Company for Cause under Section 3(c), the date on which Notice of Termination is given; (iii) if your employment is terminated by the Company without Cause under Section 3(d), the date on which a Notice of Termination is given or the date otherwise specified by the Company in the Notice of Termination; (iv) if your employment is terminated by you under Section 3(e) other than for Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if your employment is terminated by you under Section 3(e) for Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that you give a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

5. Severance Pay and Benefits Upon Termination by the Company without Cause or by You for Good Reason Outside the Sale Event Period. If your employment is terminated by the Company without Cause as provided in Section 3(d), or you terminate employment for Good Reason as provided in Section 3(e), each outside of the Sale Event Period (as defined below), then, in addition to the Accrued Obligations, and subject to (i) you signing a separation agreement and release in a form and manner reasonably satisfactory to the Company, which shall include, without limitation, a general release of claims against the Company and all related persons and entities, a reaffirmation of all of your Continuing Obligations (as defined below), and shall provide that if you breach any of the Continuing Obligations, all payments of the Severance Amount shall immediately cease (the "Separation Agreement and Release"), and (ii) the Separation Agreement and Release becoming irrevocable, all within 60 days after the Date of Termination (or such shorter period as set forth in the Separation Agreement and Release), which shall include a seven (7) business day revocation period:

(a) the Company shall pay you an amount equal to twelve months of your Base Salary (the "Severance Amount"); and

(b) subject to your copayment of premium amounts at the applicable active employees' rate and your proper election to receive benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), the Company shall pay to the group health plan provider, the COBRA provider or you a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to you if

you had remained employed by the Company until the earliest of (A) the twelve month anniversary of the Date of Termination; (B) your eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of your continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to you for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under Section 5, to the extent taxable, shall be paid out in substantially equal installments in accordance with the Company's payroll practice over twelve months commencing within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount, to the extent it qualifies as "non-qualified deferred compensation" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), shall begin to be paid in the second calendar year by the last day of such 60-day period; provided, further, that the initial payment shall include a catch-up payment to cover amounts retroactive to the day immediately following the Date of Termination. Each payment pursuant to this Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2).

6. Severance Pay and Benefits Upon Termination by the Company without Cause or by the You for Good Reason within the Sale Event Period. The provisions of this Section 6 shall apply in lieu of, and expressly supersede, the provisions of Section 5 if (i) your employment is terminated either (a) by the Company or its successor without Cause as provided in Section 3(d), or (b) by you for Good Reason as provided in Section 3(e), and (ii) the Date of Termination is within three (3) months prior to or within 12 months after the occurrence of the first event constituting a Sale Event (such period, the "Sale Event Period") in which your equity award(s) is/are assumed, continued or substituted by the Company or its successor entity. Notwithstanding the foregoing or anything else to the contrary in this Agreement: (i) if the parties to such Sale Event do not provide for the assumption, continuation or substitution of your Time -Based Equity Awards (as defined below), upon the effective time of the Sale Event, subject to your employment with the Company at such time or your termination by the Company without Cause or by you for Good Reason, in either case within three (3) months immediately prior to a Sale Event, such equity award(s) shall become fully vested and exercisable or nonforfeitable.

(a) If your employment is terminated by the Company or its successor without Cause as provided in Section 3(d) or you terminate employment for Good Reason as provided in Section 3(e) and in each case the Date of Termination occurs during the Sale Event Period, then, in addition to the Accrued Obligations, and subject to the signing of the Separation Agreement and Release by you and the Separation Agreement and Release becoming fully effective, all within the time frame set forth in the Separation Agreement and Release but in no event more than 60 days after the Date of Termination:

(i) the Company shall pay you a lump sum in cash in an amount equal to (A) 1.5 times your then current Base Salary (or your Base Salary in effect immediately

prior to the Sale Event, if higher) plus (B) your Target Bonus for the then-current year (the "Sale Event Payment"); and

(ii) notwithstanding anything to the contrary in any applicable option agreement or other stock-based award agreement, all time-based stock options and other stock-based awards subject to time-based vesting held by you (the "Time-Based Equity Awards") shall immediately accelerate and become fully exercisable or nonforfeitable as of the later of (i) the Date of Termination or (ii) the effective date of the Separation Agreement and Release (the "Accelerated Vesting Date"); provided that any termination or forfeiture of the unvested portion of such Time-Based Equity Awards that would otherwise occur on the Date of Termination in the absence of this Agreement will be delayed until the effective date of the Separation Agreement and Release and will only occur if the vesting pursuant to this subsection does not occur due to the absence of the Separation Agreement and Release becoming fully effective within the time period set forth therein. Notwithstanding the foregoing, no additional vesting of the Time-Based Equity Awards shall occur during the period between your Date of Termination and the Accelerated Vesting Date; and

(iii) subject to your copayment of premium amounts at the applicable active employees' rate and your proper election to receive benefits under COBRA, the Company shall pay to the group health plan provider, the COBRA provider or you a monthly payment equal to the monthly employer contribution that the Company would have made to provide health insurance to you if you had remained employed by the Company until the earliest of (A) the eighteen month anniversary of the Date of Termination; (B) your eligibility for group medical plan benefits under any other employer's group medical plan; or (C) the cessation of your continuation rights under COBRA; provided, however, if the Company determines that it cannot pay such amounts to the group health plan provider or the COBRA provider (if applicable) without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then the Company shall convert such payments to payroll payments directly to you for the time period specified above. Such payments shall be subject to tax-related deductions and withholdings and paid on the Company's regular payroll dates.

The amounts payable under this Section 6(a), to the extent taxable, shall be paid or commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, such payments to the extent they qualify as "non-qualified deferred compensation" within the meaning of Section 409A of the Code, shall be paid or commence to be paid in the second calendar year by the last day of such 60-day period.

(b) Additional Limitation.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that the amount of any compensation, payment or distribution by the Company to or for the benefit of you, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise, calculated in a manner consistent with

Section 280G of the Code, and the applicable regulations thereunder (the “Aggregate Payments”), would be subject to the excise tax imposed by Section 4999 of the Code, then the Aggregate Payments shall be reduced (but not below zero) so that the sum of all of the Aggregate Payments shall be \$1.00 less than the amount at which you became the subject to the excise tax imposed by Section 4999 of the Code; provided that such reduction shall only occur if it would result in you receiving a higher After Tax Amount (as defined below) than you would receive if the Aggregate Payments were not subject to such reduction. In such event, the Aggregate Payments shall be reduced in the following order, in each case, in reverse chronological order beginning with the Aggregate Payments that are to be paid the furthest in time from consummation of the transaction that is subject to Section 280G of the Code: (1) cash payments not subject to Section 409A of the Code; (2) cash payments subject to Section 409A of the Code; (3) equity-based payments and acceleration; and (4) non-cash forms of benefits; provided that in the case of all the foregoing Aggregate Payments all amounts or payments that are not subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c) shall be reduced before any amounts that are subject to calculation under Treas. Reg. §1.280G-1, Q&A-24(b) or (c).

(ii) For purposes of this Section 6(b), the “After Tax Amount” means the amount of the Aggregate Payments less all federal, state, and local income, excise and employment taxes imposed on you as a result of your receipt of the Aggregate Payments. For purposes of determining the After Tax Amount, you shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in each applicable state and locality, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes.

(iii) The determination as to whether a reduction in the Aggregate Payments shall be made pursuant to Section 6(b)(i) shall be made by a nationally recognized accounting firm selected by the Company (the “Accounting Firm”), which shall provide detailed supporting calculations both to the Company and you within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or you. Any determination by the Accounting Firm shall be binding upon the Company and you.

(c) Sale Event. For purposes of this Agreement, “Sale Event” is defined under the Company’s equity plan, which definition is reproduced herein for reference: (i) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power and outstanding stock immediately prior to such transaction do not own a majority of the outstanding voting power and outstanding stock or other equity interests of the resulting or successor entity (or its ultimate parent, if applicable) immediately upon completion of such transaction, (iii) the sale of all of the Stock (as defined in the Company’s equity plan) of the Company to an unrelated person, entity or group thereof acting in concert, or (iv) any other transaction in which the owners of the Company’s outstanding voting power immediately prior to such transaction do not own at least a majority of the

outstanding voting power of the Company or any successor entity immediately upon completion of the transaction other than as a result of the acquisition of securities directly from the Company.

(d) If the terms of any individual equity award agreement are more favorable to you than this Agreement, the terms of such individual equity award agreement shall govern.

7. Section 409A.

(a) Anything in this Agreement to the contrary notwithstanding, if at the time of your separation from service within the meaning of Section 409A of the Code, the Company determines that you are a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that you become entitled to under this Agreement or otherwise on account of your separation from service would be considered deferred compensation otherwise subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) twelve months and one day after your separation from service, or (B) your death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the twelve-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule.

(b) All in-kind benefits provided and expenses eligible for reimbursement under this Agreement shall be provided by the Company or incurred by you during the time periods set forth in this Agreement. All reimbursements shall be paid as soon as administratively practicable, but in no event shall any reimbursement be paid after the last day of the taxable year following the taxable year in which the expense was incurred. The amount of in-kind benefits provided or reimbursable expenses incurred in one taxable year shall not affect the in-kind benefits to be provided or the expenses eligible for reimbursement in any other taxable year (except for any lifetime or other aggregate limitation applicable to medical expenses). Such right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) To the extent that any payment or benefit described in this Agreement constitutes "non-qualified deferred compensation" under Section 409A of the Code, and to the extent that such payment or benefit is payable upon your termination of employment, then such payments or benefits shall be payable only upon your "separation from service." The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

(d) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. Each payment pursuant to this Agreement or the Restrictive Covenants Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to

fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

(e) The Company makes no representation or warranty and shall have no liability to you or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8. Continuing Obligations.

(a) Restrictive Covenants Agreement. The terms of the Employee Confidentiality, Invention Assignment and Nondisclosure Agreement, as of the date hereof (the "Restrictive Covenants Agreement"), between the Company and you, attached hereto as Exhibit A, continue to be in full force and effect. For purposes of this Agreement, the obligations in this Section 8 and those that arise in the Restrictive Covenants Agreement and any other agreement relating to confidentiality, assignment of inventions, or other restrictive covenants shall collectively be referred to as the "Continuing Obligations."

(b) Third-Party Agreements and Rights. You hereby confirm that you are not bound by the terms of any agreement with any previous employer or other party which restricts in any way your use or disclosure of information, other than confidentiality restrictions (if any), or your engagement in any business. You represent to the Company that your execution of this Agreement, your employment with the Company and the performance of your proposed duties for the Company will not violate any obligations you may have to any such previous employer or other party. In your work for the Company, you will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and you will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

(c) Litigation and Regulatory Cooperation. During and after your employment, you shall reasonably cooperate with the Company in (i) the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while you were employed by the Company, and (ii) the investigation, whether internal or external, of any matters about which the Company believes you may have knowledge or information. Your reasonable cooperation in connection with such claims, actions or investigations shall include, but not be limited to, being available to meet with counsel to answer questions or to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after your employment, you also shall reasonably cooperate with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while you were employed by the Company. The Company shall reimburse you for any reasonable out of pocket expenses incurred in connection with your performance of obligations pursuant to this Section 8(c).

(d) Relief. You agree that it would be difficult to measure any damages caused to the Company which might result from any breach by you of the Continuing

Obligations, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, you agree that if you breach, or propose to breach, any portion of the Continuing Obligations, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

(e) Protected Disclosures and Other Protected Action. Nothing in this Agreement shall be interpreted or applied to prohibit you from making any good faith report to any governmental agency or other governmental entity (a "Government Agency") concerning any act or omission that you reasonably believe constitutes a possible violation of federal or state law or making other disclosures that are protected under the anti-retaliation or whistleblower provisions of applicable federal or state law or regulation. In addition, nothing contained in this Agreement limits your ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including your ability to provide documents or other information, without notice to the Company. In addition, for the avoidance of doubt, pursuant to the federal Defend Trade Secrets Act of 2016, you shall not be held criminally or civilly liable under any federal or state trade secret law or under this Agreement or the Restrictive Covenants Agreement for the disclosure of a trade secret that (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

9. Arbitration of Disputes.

(a) Arbitration Generally. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of your employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination or retaliation, whether based on race, religion, national origin, sex, gender, age, disability, sexual orientation, or any other protected class under applicable law, including without limitation Massachusetts General Laws Chapter 151B) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of JAMS in Boston, Massachusetts in accordance with the JAMS Employment Arbitration Rules, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. You understand that you may only bring such claims in your individual capacity, and not as a plaintiff or class member in any purported class proceeding or any purported representative proceeding. You further understand that, by signing this Agreement, the Company and you are giving up any right they may have to a jury trial on all claims they may have against each other. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate, including without limitation relief sought under the Restrictive Covenants Agreement; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.

(b) Arbitration Fees and Costs. You shall be required to pay an arbitration fee to initiate any arbitration equal to what you would be charged as a first appearance fee in court. The Company shall advance the remaining fees and costs of the arbitrator. However, to the extent permissible under the law, and following the arbitrator's ruling on the matter, the arbitrator may rule that the arbitrator's fees and costs be distributed in an alternative manner. Each party shall pay its own costs and attorneys' fees, if any. If, however, any party prevails on a statutory or contractual claim that affords the prevailing party attorneys' fees (including pursuant to this Agreement), the arbitrator may award attorneys' fees to the prevailing party to the extent permitted by law.

10. Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 9 of this Agreement, the parties hereby consent to the jurisdiction of the state and federal courts of the Commonwealth of Massachusetts. Accordingly, with respect to any such court action, you (a) submit to the exclusive personal jurisdiction of such courts; (b) consent to service of process; and (c) waive any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

11. Waiver of Jury Trial. You and the Company irrevocably and unconditionally WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR YOUR EMPLOYMENT BY THE COMPANY OR ANY AFFILIATE OF THE COMPANY, INCLUDING WITHOUT LIMITATION YOURS OR THE COMPANY'S PERFORMANCE UNDER, OR THE ENFORCEMENT OF, THIS AGREEMENT.

12. Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements between the parties concerning such subject matter, provided that the Restrictive Covenants Agreement and the Equity Documents remain in full force and effect.

13. Withholding; Tax Effect. All payments made by the Company to you under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law. Nothing in this Agreement shall be construed to require the Company to make any payments to compensate you for any adverse tax effect associated with any payments or benefits or for any deduction or withholding from any payment or benefit.

14. Assignment. Neither you nor the Company may make any assignment of this Agreement or any interest in it, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement (including the Restrictive Covenants Agreement) without your consent to any affiliate or to any person or entity with whom the Company shall hereafter effect a reorganization, consolidate with, or merge into or to whom it transfers all or substantially all of its properties or assets; provided further that if you remain employed or become employed by the Company, the purchaser or any of their affiliates in connection with any such transaction, then you shall not be entitled to any payments, benefits or vesting pursuant to Section 5 or pursuant to Section 6 of this Agreement. This Agreement shall inure to the benefit of and be binding upon you and the Company, and each of yours and the Company's respective successors, executors, administrators, heirs and permitted assigns.

15. Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Survival. The provisions of this Agreement shall survive the termination of this Agreement and/or the termination of your employment to the extent necessary to effectuate the terms contained herein.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to you at the last address you have filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

19. Amendment. This Agreement may be amended or modified only by a written instrument signed by you and by a duly authorized representative of the Company.

20. Effect on Other Plans and Agreements. An election by you to resign for Good Reason under the provisions of this Agreement shall not be deemed a voluntary termination of employment by you for the purpose of interpreting the provisions of any of the Company's benefit plans, programs or policies. Nothing in this Agreement shall be construed to limit the rights of you under the Company's benefit plans, programs or policies except as otherwise provided in Section 8 hereof, and except that you shall have no rights to any severance benefits under any Company severance pay plan, offer letter or otherwise. In the event that you are a party to an agreement with the Company providing for payments or benefits under such plan or agreement and under this Agreement, the terms of this Agreement shall govern and you may receive payment under this Agreement only and not both. Further, Section 5 and Section 6 of this Agreement are mutually exclusive and in no event shall you be entitled to payments or benefits pursuant to both Section 5 and Section 6 of this Agreement.

21. Governing Law. This is a Massachusetts contract and shall be construed under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles thereof. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

22. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the Effective Date.

SEMRUSH HOLDINGS, INC.

DocuSigned by:

*Dave Mason*

By: *Dave Mason*

Its: Chief Legal Officer

BRIAN MULROY

DocuSigned by:

*Brian Mulroy*

By: *Brian Mulroy*

Exhibit A

Restrictive Covenants Agreement

Employee Confidentiality, Invention Assignment and Nondisclosure Agreement



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

I, William Wagner, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Semrush Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

Semrush Holdings, Inc.

By: /s/ William Wagner  
William Wagner  
Chief Executive Officer  
(Principal Executive Officer)

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

I, Brian Mulroy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Semrush Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
  - a. designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

Semrush Holdings, Inc.

By: /s/ Brian Mulroy

Brian Mulroy

Chief Financial Officer

(Principal Financial Officer)

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

In connection with the Quarterly Report on Form 10-Q of Semrush Holdings, Inc. for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, William Wagner, as Chief Executive Officer of Semrush Holdings, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to 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 Semrush Holdings, Inc.

Date: August 7, 2025

By: /s/ William Wagner  
William Wagner  
*Chief Executive Officer*  
*(Principal Executive Officer)*

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of Semrush Holdings, Inc., regardless of any general incorporation language in such filing.

In connection with the Quarterly Report on Form 10-Q of Semrush Holdings, Inc. for the quarterly period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian Mulroy, as Chief Financial Officer of Semrush Holdings, Inc., hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to 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 Semrush Holdings, Inc.

Date: August 7, 2025

By: /s/ Brian Mulroy  
Brian Mulroy  
*Chief Financial Officer*  
*(Principal Financial Officer)*

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and it is not to be incorporated by reference into any filing of Semrush Holdings, Inc., regardless of any general incorporation language in such filing.