REFINITIV

DELTA REPORT

10-Q

SPT - SPROUT SOCIAL, INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1014
CHANGES	211
DELETIONS	563
ADDITIONS	240

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023 March 31, 2024

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

For transition period from to

Commission File Number 001-39156

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

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

131 South Dearborn St. , Suite 700

Chicago , Illinois

60603

(Address of principal executive offices and zip code)

(866) 878-3231

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.0001 par value per share	SPT	The Nasdaq Stock Market LLC

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

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

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

Large accelerated filer	☒	Accelerated filer ☐
Non-accelerated filer	☐	Smaller reporting company ☐
Emerging growth company	☐	

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

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

As of October 27, 2023 April 26, 2024, there were 48,776,433 49,817,372 shares and 7,217,582 6,720,638 shares of the registrant's Class A and Class B common stock, respectively, $0.0001 par value per share, outstanding.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this Quarterly Report on Form 10-Q ("Quarterly Report") not based on historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended. These statements include statements about Sprout Social, Inc.'s ("Sprout Social") plans, objectives, strategies, financial performance and outlook, trends, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "explore," "intend," "long-term model," "might," "outlook," "plan," "potential," "predict," "project," "should," "strategy," "target," "will," "would," or the negative of these terms and similar expressions intended to identify forward-looking statements, as they relate to Sprout Social, our business and our management. Forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by Sprout Social and our management based on their knowledge and understanding of the business and industry, are inherently uncertain. These forward-looking statements should not be read as a guarantee of future performance or results, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this Quarterly Report. Such risks, uncertainties and other important factors include, among others, the risks, uncertainties and factors set forth under "Part II—Item IA. Risk Factors" and "Part I—Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" and in our most recent Annual Report on Form 10-K under Part I—Item IA, 1A, "Risk Factors" and the risks and uncertainties related to the following:

- our ability to attract, retain, and grow customers;
- our ability to access third-party APIs and data on favorable terms;

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

- our future financial performance, including our revenue, cost of revenue, gross profit, operating expenses, ability to generate positive cash flow, and ability to achieve and maintain profitability;
- our ability to access third-party APIs and data on favorable terms;
- our ability to increase spending of existing customers;
- the evolution of the social media industry, including technological advances and adapting to new regulations and use cases;
- the introduction of artificial intelligence technologies into our products, which may lead to increased governmental or regulatory scrutiny;
- our ability to innovate and provide a superior customer experience;
- worldwide economic conditions, including the macroeconomic impacts of the ongoing overseas conflict, current and future potential banking failures, and their impact on information technology spending;
- our ability to securely maintain customer and other third-party data;
- our ability to maintain and enhance our brand;
- the effects of increased competition from our market competitors or new entrants to the market;
- our estimates of the size of our market opportunities;
- our ability to comply with modified or new laws and regulations applying to our business, including data privacy and security regulations;
- our ability to successfully enter new markets, manage our international expansion and comply with any applicable laws and regulations;
- our ability to successfully adapt our sales, success, and compliance efforts to the demands of sophisticated enterprise customers;
- our ability to maintain and enhance our brand;
- our estimates of the size of our market opportunities;
- the effects of increased competition from our market competitors or new entrants to the market;
- our ability to securely maintain customer and other third-party data;
- our ability to comply with existing, modified or new laws and regulations applying to our business, including data privacy and security regulations;
- our ability to maintain, protect and enhance our intellectual property;
- worldwide economic conditions, including the macroeconomic impacts of high levels of inflation, high interest rates and ongoing overseas conflict, and their impact on demand for our ability to attract platform and retain qualified employees and key personnel; products;
- our ability to effectively manage our growth and future expenses;
- our ability to manage our substantial debt in a way that does not adversely affect our business;
- our ability to acquire, invest in, and integrate other businesses or technologies into our business or achieve the expected benefits of such acquisitions and technologies;
- our ability to attract and retain qualified employees and key personnel;
- our ability to manage our substantial debt in a way that does not adversely affect our business; and
- the other factors set forth under “Part II—Item IA. Risk Factors” in this Quarterly Report and our Annual Report filed with the United States Securities and Exchange Commission (“SEC”) on Form 10-K under Part I—Item IA, 1A, “Risk Factors.”

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

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

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Sprout Social, Inc.

Condensed Consolidated Balance Sheets (Unaudited)

(in thousands, except share and per share data)

		September 30, 2023	December 31, 2022
March 31, 2024		March 31, 2024	December 31, 2023
Assets	**Assets**		
Assets			
Assets			
Current assets	Current assets		
Current assets			
Current assets			
Cash and cash equivalents			
Cash and cash equivalents			
Cash and cash equivalents	Cash and cash equivalents	$ 41,103	$ 79,917
Marketable securities	Marketable securities	71,927	92,929
Accounts receivable, net of allowances of $1,616 and $1,789 at September 30, 2023 and December 31, 2022, respectively		45,090	35,833
Accounts receivable, net of allowances of $1,820 and $2,177 at March 31, 2024 and December 31, 2023, respectively			
Accounts receivable, net of allowances of $1,820 and $2,177 at March 31, 2024 and December 31, 2023, respectively			
Accounts receivable, net of allowances of $1,820 and $2,177 at March 31, 2024 and December 31, 2023, respectively			
Deferred commissions	Deferred commissions	24,726	20,369
Prepaid expenses and other assets	Prepaid expenses and other assets	13,388	6,418
Total current assets	Total current assets	196,234	235,466
Marketable securities, noncurrent	Marketable securities, noncurrent	8,393	12,995
Property and equipment, net	Property and equipment, net	11,402	11,949
Deferred commissions, net of current portion	Deferred commissions, net of current portion	22,235	19,638

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Operating lease, right-of-use assets	Operating lease, right-of-use assets	8,589	9,503
Goodwill	Goodwill	122,680	2,299
Goodwill			
Goodwill			
Intangible assets, net	Intangible assets, net	29,669	2,006
Other assets, net	Other assets, net	1,111	64
Total assets	Total assets	$400,313	$293,920
Total assets			
Total assets			
Liabilities and Stockholders' Equity	**Liabilities and Stockholders' Equity**		
Current liabilities	Current liabilities		
Current liabilities			
Current liabilities			
Accounts payable			
Accounts payable			
Accounts payable	Accounts payable	$ 11,562	$ 4,988
Deferred revenue	Deferred revenue	122,489	95,740
Operating lease liabilities	Operating lease liabilities	3,728	3,499
Accrued wages and payroll related benefits	Accrued wages and payroll related benefits	14,981	14,257
Accrued expenses and other	Accrued expenses and other	10,557	14,322
Total current liabilities	Total current liabilities	163,317	132,806
Revolving credit facility	Revolving credit facility	75,000	—
Revolving credit facility			
Revolving credit facility			
Deferred revenue, net of current portion	Deferred revenue, net of current portion	917	490
Operating lease liabilities, net of current portion	Operating lease liabilities, net of current portion	15,658	18,287
Other noncurrent liabilities	Other noncurrent liabilities	477	—
Total liabilities	Total liabilities	255,369	151,583

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Sprout Social, Inc.

Condensed Consolidated Balance Sheets (Unaudited) (cont'd)

(in thousands, except share and per share data)

		September 30, 2023	December 31, 2022		
March 31, 2024				March 31, 2024	December 31, 2023
Commitments and contingencies (Note 7)	Commitments and contingencies (Note 7)				
Commitments and contingencies (Note 7)					
Commitments and contingencies (Note 7)					
Stockholders' equity	Stockholders' equity				
Class A common stock, par value $0.0001 per share; 1,000,000,000 shares authorized; 51,645,606 and 48,762,556 shares issued and outstanding, respectively, at September 30, 2023; 50,413,415 and 47,562,911 shares issued and outstanding, respectively, at December 31, 2022		4	4		
Class B common stock, par value $0.0001 per share; 25,000,000 shares authorized; 7,424,526 and 7,217,582 shares issued and outstanding, respectively, at September 30, 2023; 7,667,376 and 7,460,432 shares issued and outstanding, respectively, at December 31, 2022		1	1		
Class A common stock, par value $0.0001 per share; 1,000,000,000 shares authorized; 52,689,738 and 49,774,624 shares issued and outstanding, respectively, at March 31, 2024; 52,133,594 and 49,241,563 shares issued and outstanding, respectively, at December 31, 2023					
Class A common stock, par value $0.0001 per share; 1,000,000,000 shares authorized; 52,689,738 and 49,774,624 shares issued and outstanding, respectively, at March 31, 2024; 52,133,594 and 49,241,563 shares issued and outstanding, respectively, at December 31, 2023					
Class A common stock, par value $0.0001 per share; 1,000,000,000 shares authorized; 52,689,738 and 49,774,624 shares issued and outstanding, respectively, at March 31, 2024; 52,133,594 and 49,241,563 shares issued and outstanding, respectively, at December 31, 2023					

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Class B common stock, par value $0.0001 per share; 25,000,000 shares authorized; 6,969,582 and 6,762,638 shares issued and outstanding, respectively, at March 31, 2024; 7,201,140 and 6,994,196 shares issued and outstanding, respectively, at December 31, 2023			
Additional paid-in capital	Additional paid-in capital	452,139	401,419
Treasury stock, at cost	Treasury stock, at cost	(34,576)	(32,733)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(289)	(369)
Accumulated deficit	Accumulated deficit	(272,335)	(225,985)
Total stockholders' equity	Total stockholders' equity	144,944	142,337
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	$400,313	$293,920

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.

Condensed Consolidated Statements of Operations
(Unaudited)

(in thousands, except share and per share data)

		Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022	
	Three Months Ended March 31,					Three Months Ended March 31,
	2024					2024 / 2023
Revenue	**Revenue**					
Subscription						
Subscription						
Subscription	Subscription	$ 84,802	$ 64,536	$ 238,234	$ 182,048	

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Professional services and other	Professional services and other	730	771	1,825	2,120
Total revenue	Total revenue	85,532	65,307	240,059	184,168
Cost of revenue	**Cost of revenue**				
Subscription	Subscription	19,874	15,008	54,479	43,641
Subscription					
Subscription					
Professional services and other	Professional services and other	324	304	828	802
Total cost of revenue	Total cost of revenue	20,198	15,312	55,307	44,443
Gross profit	Gross profit	65,334	49,995	184,752	139,725
Operating expenses	**Operating expenses**				
Research and development					
Research and development					
Research and development	Research and development	20,057	16,278	56,889	44,717
Sales and marketing	Sales and marketing	44,499	32,411	120,711	88,373
General and administrative	General and administrative	24,982	15,691	58,206	45,162
Total operating expenses	Total operating expenses	89,538	64,380	235,806	178,252
Loss from operations	Loss from operations	(24,204)	(14,385)	(51,054)	(38,527)
Interest expense	Interest expense	(1,147)	(29)	(1,210)	(128)
Interest income	Interest income	1,651	728	5,811	1,172
Other expense, net	Other expense, net	(293)	(160)	(650)	(558)
Loss before income taxes	Loss before income taxes	(23,993)	(13,846)	(47,103)	(38,041)
Income tax (benefit) expense	Income tax (benefit) expense	(980)	87	(753)	257
Net loss	Net loss	$ (23,013)	$ (13,933)	$ (46,350)	$ (38,298)
Net loss per share attributable to common shareholders, basic and diluted	Net loss per share attributable to common shareholders, basic and diluted	$ (0.41)	$ (0.25)	$ (0.83)	$ (0.70)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Weighted-average shares outstanding used to compute net loss per share, basic and diluted	Weighted-average shares outstanding used to compute net loss per share, basic and diluted	55,831,230	54,716,770	55,508,195	54,450,003	Weighted-average shares outstanding used to compute net loss per share, basic and diluted	56,344,242	55,176,425

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.

Condensed Consolidated Statements of Comprehensive Loss

(Unaudited)

(in thousands)

		Three Months Ended September 30,		**Nine Months Ended September 30,**			
		2023	**2022**	**2023**	**2022**		
	Three Months Ended March 31,					**Three Months Ended March 31,**	
	2024					**2024**	**2023**
Net loss	Net loss	$(23,013)	$(13,933)	$(46,350)	$(38,298)		
Other comprehensive loss:	Other comprehensive loss:						
Net unrealized gain (loss) on available-for-sale securities, net of tax	Net unrealized gain (loss) on available-for-sale securities, net of tax	105	(176)	80	(490)		
Net unrealized gain (loss) on available-for-sale securities, net of tax							
Net unrealized gain (loss) on available-for-sale securities, net of tax							
Comprehensive loss	Comprehensive loss	$(22,908)	$(14,109)	$(46,270)	$(38,788)		

See Notes to Condensed Consolidated Financial Statements.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Sprout Social, Inc.

Condensed Consolidated Statements of Stockholders’ Equity (Unaudited)

(in thousands, except share data)

	Voting Common Stock (Class A and B)	Voting Common Stock (Class A and B)	Additional Paid-in Capital	Treasury Stock	Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders’ Equity
	Shares						
Balances at December 31, 2023							
Balances at December 31, 2023							
Balances at December 31, 2023							

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders’ Equity
	Shares	Amount		Shares	Amount			
Balances at June 30, 2023	55,729,908	$ 5	$432,955	3,081,013	$(34,102)	$ (394)	$ (249,322)	$ 149,142
Stock-based compensation								
Stock-based compensation								
Stock-based compensation			19,184					19,184
Issuance of common stock from equity award settlement	250,230	—						—
Taxes paid related to net share settlement of equity awards				8,981	(474)			(474)
Other comprehensive gain, net of tax						105		105
Other comprehensive gain (loss), net of tax								
Other comprehensive gain (loss), net of tax								
Other comprehensive gain (loss), net of tax								
Net loss							(23,013)	(23,013)
Balances at September 30, 2023	55,980,138	$ 5	$452,139	3,089,994	$(34,576)	$ (289)	$ (272,335)	$ 144,944
Balances at March 31, 2024								

	Voting Common Stock (Class A and B)	Voting Common Stock (Class A and B)	Additional Paid-in Capital	Treasury Stock	Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders’ Equity
	Shares						
Balances at December 31, 2022							
Balances at December 31, 2022							
Balances at December 31, 2022							

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders’ Equity
	Shares	Amount		Shares	Amount			

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	Shares	Amount	Additional Paid-in Capital	Treasury Shares	Treasury Amount	Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders' Equity
Balances at June 30, 2022	54,633,680	$ 5	$373,519	3,045,562	$(32,037)	$ (314)	$ (200,110)	$ 141,063
Exercise of stock options	—	—	—					—
Stock-based compensation								
Stock-based compensation								
Stock-based compensation Stock-based compensation			13,074					13,074
Issuance of common stock from equity award settlement Issuance of common stock from equity award settlement	185,782	—						—
Taxes paid related to net share settlement of equity awards Taxes paid related to net share settlement of equity awards				5,957	(343)			(343)
Other comprehensive loss, net of tax						(176)		(176)
Other comprehensive gain (loss), net of tax								
Other comprehensive gain (loss), net of tax								
Other comprehensive gain (loss), net of tax								
Net loss Net loss							(13,933)	(13,933)
Balances at September 30, 2022	54,819,462	$ 5	$386,593	3,051,519	$(32,380)	$ (490)	$ (214,043)	$ 139,685
Balances at March 31, 2023								

Sprout Social, Inc.

Condensed Consolidated Statements of Stockholders' Equity (Unaudited)

(in thousands, except share data)

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			
Balances at December 31, 2022	55,023,343	$ 5	$ 401,419	3,057,448	$ (32,733)	$ (369)	$ (225,985)	$ 142,337
Exercise of stock options	30,000	—	29					29
Stock-based compensation			49,264					49,264
Issuance of common stock from equity award settlement	890,435	—						—
Taxes paid related to net share settlement of equity awards				32,546	(1,843)			(1,843)
Issuance of common stock in connection with employee stock purchase plan	36,360	—	1,427					1,427
Other comprehensive loss, net of tax						80		80
Net loss							(46,350)	(46,350)
Balances at September 30, 2023	55,980,138	$ 5	$ 452,139	3,089,994	$ (34,576)	$ (289)	$ (272,335)	$ 144,944

	Voting Common Stock (Class A and B)		Additional Paid-in Capital	Treasury Stock		Accumulated other comprehensive loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Shares	Amount			

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Balances at December 31, 2021	54,153,771	$ 5	$ 351,774	3,026,400	$ (30,824)	$ —	$ (175,745)	$ 145,210
Exercise of stock options	38,545	—	14					14
Stock-based compensation			34,130					34,130
Issuance of common stock from equity award settlement	613,477	—						—
Taxes paid related to net share settlement of equity awards				25,119	(1,556)			(1,556)
Issuance of common stock in connection with employee stock purchase plan	13,669	—	675					675
Other comprehensive loss, net of tax						(490)		(490)
Net loss							(38,298)	(38,298)
Balances at September 30, 2022	54,819,462	$ 5	$ 386,593	3,051,519	$ (32,380)	$ (490)	$ (214,043)	$ 139,685

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Nine Months Ended September 30,	
	2023	**2022**
Cash flows from operating activities		
Net loss	$ (46,350)	$ (38,298)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	2,302	2,127
Amortization of line of credit issuance costs	34	30
Amortization of premium (accretion of discount) on marketable securities	(2,733)	(20)
Amortization of acquired intangible assets	1,937	782
Amortization of deferred commissions	19,064	13,310
Amortization of right-of-use operating lease asset	1,128	696
Stock-based compensation expense	49,045	34,030
Provision for accounts receivable allowances	1,583	562
Tax benefit related to release of valuation allowance	(1,134)	—
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	(7,747)	(1,807)
Prepaid expenses and other current assets	(3,535)	(2,208)
Deferred commissions	(26,018)	(19,738)
Accounts payable and accrued expenses	247	4,808
Deferred revenue	23,867	15,693
Lease liabilities	(2,630)	(2,251)
Net cash provided by operating activities	9,060	7,716
Cash flows from investing activities		
Expenditures for property and equipment	(1,444)	(1,427)
Payments for business acquisition, net of cash acquired	(145,779)	—
Purchases of marketable securities	(63,085)	(135,742)
Proceeds from maturity of marketable securities	85,964	118,370
Proceeds from sale of marketable securities	5,538	—
Net cash used in investing activities	(118,806)	(18,799)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Cash flows from financing activities		
Borrowings from line of credit	75,000	—
Payments for line of credit issuance costs	(823)	(23)
Proceeds from exercise of stock options	29	14
Proceeds from employee stock purchase plan	1,427	675
Employee taxes paid related to the net share settlement of stock-based awards	(1,843)	(1,556)
Net cash provided by (used in) financing activities	73,790	(890)
Net decrease in cash, cash equivalents and restricted cash	(35,956)	(11,973)
Cash, cash equivalents and restricted cash		
Beginning of period	79,917	107,114
End of period	$ 43,961	$ 95,141
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 41,103	$ 95,141
Restricted cash, included in prepaid expenses and other assets	2,858	—
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 43,961	$ 95,141
Supplemental noncash disclosures		

Sprout Social, Inc.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

Operating lease liability arising from operating ROU asset obtained	$ 230	$ 1,079
Deferred debt issuance costs not yet paid	$ 208	$ —

	Three Months Ended March 31,	
	2024	**2023**
Cash flows from operating activities		
Net loss	$ (13,575)	$ (10,252)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	887	708
Amortization of line of credit issuance costs	52	—
Amortization of premium (accretion of discount) on marketable securities	(223)	(882)
Amortization of acquired intangible assets	1,570	366
Amortization of deferred commissions	3,523	5,855
Amortization of right-of-use operating lease asset	436	355
Stock-based compensation expense	18,066	13,656
Provision for accounts receivable allowances	56	353
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	13,017	(1,148)
Prepaid expenses and other current assets	(7,670)	(4,098)
Deferred commissions	(6,783)	(7,757)
Accounts payable and accrued expenses	(2,865)	(1,589)
Deferred revenue	5,648	13,554
Lease liabilities	(975)	(837)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Net cash provided by operating activities	11,164	8,284
Cash flows from investing activities		
Expenditures for property and equipment	(1,092)	(383)
Payments for business acquisition, net of cash acquired	(1,409)	(6,432)
Purchases of marketable securities	—	(30,078)
Proceeds from maturity of marketable securities	22,555	22,631
Proceeds from sale of marketable securities	—	5,571
Net cash provided by (used in) investing activities	20,054	(8,691)
Cash flows from financing activities		
Repayments of line of credit	(10,000)	—
Employee taxes paid related to the net share settlement of stock-based awards	(1,476)	(1,099)
Net cash used in financing activities	(11,476)	(1,099)
Net increase (decrease) in cash, cash equivalents and restricted cash	19,742	(1,506)
Cash, cash equivalents and restricted cash		
Beginning of period	53,695	79,917
End of period	$ 73,437	$ 78,411
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	$ 69,162	$ 78,411
Restricted cash, included in prepaid expenses and other assets	4,275	—
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	$ 73,437	$ 78,411

See Notes to Condensed Consolidated Financial Statements.

Sprout Social, Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

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

Principles of Consolidation and Basis of Presentation

The unaudited condensed consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the applicable regulations of the United States Securities and Exchange Commission ("SEC") regarding interim financial reporting. The Company has prepared the unaudited condensed consolidated financial statements on a basis substantially consistent with the audited consolidated financial statements of the Company as of and for the year ended December 31, 2022 December 31, 2023, and these unaudited condensed consolidated financial statements include all normal recurring adjustments necessary for a fair statement of the results of the interim periods presented but are not necessarily indicative of the results of operations to be anticipated for the full year or any future period. The consolidated balance sheet as of December 31, 2022 December 31, 2023 included herein was derived from the audited consolidated financial statements as of that date but does not include all disclosures including certain disclosures required by GAAP on an annual basis. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the SEC on February 22, 2023 February 23, 2024.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. The Company bases its estimates on historical experience and on other assumptions that its management believes are reasonable under the circumstances. Actual results could differ from those estimates. The Company's estimates and judgments include, but are not limited to, the estimated period of benefit for incremental costs of obtaining a contract with a customer, the incremental borrowing rate for operating leases, calculation of allowance for credit losses, valuation of assets and liabilities acquired as part of business combinations, useful lives of long-lived assets, stock-based compensation, income taxes, commitments and contingencies and litigation, among others. The Company is not aware of any events or circumstances that would require an update to its estimates and judgments or a revision of the carrying value of its assets or liabilities as of November 3, 2023 May 3, 2024, the date of issuance of this Quarterly Report on Form 10-Q. Actual results could differ from those estimates.

Summary of Significant Accounting Policies

The Company's significant accounting policies are discussed in Note 1 - "Nature of Operations and Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2022 December 31, 2023 included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the SEC on February 22, 2023 February 23, 2024. There have been no significant changes to these policies during the nine three months ended September 30, 2023 March 31, 2024, except as noted below.

Business Combinations Sales Commissions

Sales commissions earned by our sales force are considered incremental costs of obtaining a contract with a customer. Sales commissions are paid on initial contracts with new customers and for expansion of contracts with existing customers. Commissions are not paid on customer renewals. Sales commissions are deferred and amortized on a straight-line basis over a period of benefit. The Company recognizes has historically estimated such period of benefit to be three years.

On an annual basis, the Company assesses the expected period of benefit by taking into consideration the products sold, mix of customers, expected customer life, expected contract renewals, technology life cycle and measures other factors. Based on the assets acquired and liabilities assumed in a business combination based on their estimated fair values at the acquisition date. Any excess or deficiency of the purchase consideration when compared to the fair value of the net assets acquired, if any, is recorded as goodwill or gain from a bargain purchase. Such valuations require that management make estimates and assumptions, especially with respect to the identifiable intangible assets. The estimates in valuing intangible assets include, but are not limited to, the time and expense to recreate the assets, future expected cash flows from the asset, useful lives, customer churn rate, and discount rates.

The estimates are inherently uncertain and subject to revision as additional information is obtained assessment performed during the measurement period for an acquisition, which may last up to one year from the acquisition date. During the measurement period first quarter of 2024, the Company may record adjustments updated the period of benefit from three years to the fair value of tangible and intangible assets acquired and liabilities assumed, with a corresponding offset to goodwill. After the conclusion of the measurement period or the final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to earnings.

Restricted Cash

As of September 30, 2023 and December 31, 2022, the Company's restricted cash balance five years. This change in accounting estimate was $2.9 million and nil, respectively. Restricted cash represents cash that is held as collateral in relation to the Company's letters of credit that are required as security for the Company's office leases, effective January 1, 2024 and is included being accounted for prospectively in prepaid expenses and other current assets within the condensed consolidated balance sheets. financial statements. The change in amortization period resulted in a $4.4 million reduction to sales and marketing expense, or an increase of $0.08 per share basic and diluted, for the three months ended March 31, 2024.

2. Revenue Recognition

Disaggregation of Revenue

The Company provides disaggregation of revenue based on geographic region in Note 8 - "Segment and Geographic Data" of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) and based on the subscription versus professional services and other classification on the condensed consolidated statements of operations, as it believes these best depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

Deferred Revenue

Deferred revenue is recorded upon establishment of unconditional right to payment under non-cancellable contracts and is recognized as the revenue recognition criteria are met. The Company generally invoices customers in advance in monthly, quarterly, semi-annual and annual installments. The deferred revenue balance is influenced by several factors, including the compounding effects of renewals, invoice duration, timing and size. The amount of revenue recognized during the three months ended September 30,

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

2023 March 31, 2024 and 2022 2023 that was included in deferred revenue at the beginning of each period was $53.5 million $62.0 million and $38.8 million, respectively. The amount of revenue recognized during the nine months

ended September 30, 2023 and 2022 that was included in deferred revenue at the beginning of each period was $87.7 million and $63.6 million $44.1 million, respectively.

As of September 30, 2023 March 31, 2024, including amounts already invoiced and amounts contracted but not yet invoiced, $228.8 million $290.0 million of revenue is expected to be recognized from remaining performance obligations, of which 73% is expected to be recognized in the next 12 months, with the remainder thereafter.

Sprout Social, Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

3. Operating Leases

The Company has operating lease agreements for offices in Chicago, Illinois, Illinois; Seattle, Washington, Washington; Santa Monica, California, California; and Dublin, Ireland. On August 2, 2023, upon completion of the acquisition of Tagger Media, Inc. (“Tagger”), the Company assumed an operating lease for an office suite located in Santa Monica, California. Refer to Note 11 for further discussion. The right-of-use assets and operating lease liabilities that the Company assumed with the Santa Monica lease were not significant.

The Chicago lease expires in January 2028, the Seattle lease expires in January 2031, the Santa Monica lease expires in January 2025, and the Dublin lease expires in June 2024. 2025. These operating leases require escalating monthly rental payments ranging from approximately $14,000 to $280,000. Under the terms of the lease agreements, the Company is also responsible for its proportionate share of taxes and operating costs, which are treated as variable lease costs. The Company’s operating leases typically contain options to extend or terminate the term of the lease. The Company currently does not include any options to extend leases in its lease terms as it is not reasonably certain to exercise them. As such, it has recorded lease obligations only through the initial optional termination dates above.

The following table provides a summary of operating lease assets and liabilities as of September 30, 2023 March 31, 2024 (in thousands):

Assets		
Operating lease right-of-use assets	$	8,589 8,293
Liabilities		
Operating lease liabilities		3,728 3,971
Operating lease liabilities, non-current		15,658 14,085
Total operating lease liabilities	$	19,386 18,056

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

Three Months Ended March 31,	Three Months Ended March 31,	
2024	2024	2023

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
Operating lease expense					
Operating lease expense					
Operating lease expense	Operating lease expense	$677	$640	$1,973	$1,646
Variable lease expense	Variable lease expense	893	866	2,679	2,599

Within the condensed consolidated statements of operations, operating and variable lease expense are recorded in General and administrative expenses. Cash payments related to operating leases for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were $6.2 million $2.1 million and $5.7 million $2.0 million, respectively. As of March 31, 2024, the weighted-average remaining lease term is 4.7 years and the weighted-average discount rate is 5.5%.

Sprout Social, Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

respectively. As of September 30, 2023, the weighted-average remaining lease term is 5.2 years and the weighted-average discount rate is 5.5%.

Remaining maturities of operating lease liabilities as of September 30, 2023 March 31, 2024 are as follows (in thousands):

Years ending December 31,	Years ending December 31,		
2023		$	1,195
2024			
2024			
2024	2024		4,563
2025	2025		4,205
2026	2026		4,298
2027	2027		4,392
2028			
Thereafter	Thereafter		3,603
Total future minimum lease payments	Total future minimum lease payments	$	22,256
Less: imputed interest	Less: imputed interest		(2,870)
Total operating lease liabilities	Total operating lease liabilities	$	19,386
Total operating lease liabilities			
Total operating lease liabilities			

4. Income Taxes

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

The Company recorded a domestic income tax benefit of $1.1 million for the three and nine months ended September 30, 2023 attributable to a release of the Company's valuation allowance resulting from deferred tax liabilities established for finite-lived intangible assets from the acquisition of Tagger. There is otherwise no provision for domestic

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

income taxes because the Company has historically incurred operating losses and maintains a full valuation allowance against its net deferred tax assets. For the nine three months ended September 30, 2023 March 31, 2024, the Company recognized an immaterial provision tax benefit related to foreign income taxes.

The Company assesses all available positive and negative evidence to evaluate the realizability of its deferred tax assets and whether or not a valuation allowance is necessary. The Company's three-year cumulative loss position was significant negative evidence in assessing the need for a valuation allowance. The weight given to positive and negative evidence is commensurate with the extent such evidence may be objectively verified. Given the weight of objectively verifiable historical losses from operations, the Company has recorded a full valuation allowance on its deferred tax assets. The Company may be able to reverse the valuation allowance when sufficient positive evidence exists to support the reversal of the valuation allowance.

5. Revolving Line of Credit

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

the terms of the Credit Agreement, to pay related fees and expenses and for general corporate purposes. At September 30, 2023 March 31, 2024, the Company had an outstanding balance of $75.0 million $45.0 million under the Facility.

Borrowings under the Facility may be designated as SOFR Loans or ABR Loans (each as defined in the Credit Agreement), subject to certain terms and conditions under the Credit Agreement, and bear interest at a rate of either (i) SOFR (subject to a 1.0% floor), plus 0.10%, plus a margin ranging from 2.75% to 3.25% based on the Company's liquidity or (ii) ABR (subject to a 2.0% floor) plus a margin

ranging from 1.75% to 2.25% based on the Company's liquidity. The Facility also includes a quarterly commitment fee on the unused portion of the Facility of 0.30% or 0.35% based on the Company's liquidity. For the three months ended September 30, 2023 March 31, 2024, the borrowings under the Facility were designated as SOFR Loans and the interest rate in effect for the outstanding balance was approximately 8.22% 8.2%.

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

The Credit Agreement includes customary conditions to credit extensions, affirmative and negative covenants, and customary events of default. The customary conditions also include restrictions on the Company's ability to incur liens, incur indebtedness, make or hold investments, execute certain change of control transactions, business combinations or other fundamental changes to its business, dispose of assets, make certain types of restricted payments or enter into certain related party transactions, subject to customary exceptions. In addition, the Credit Agreement contains financial covenants as to (i) minimum liquidity, requiring the maintenance, at all times and measured at the end of each fiscal quarter, of cash and cash equivalents of not less than the greater of (x) $30 million and (y) 30% of the total revolving commitments, and (ii) minimum recurring revenue growth, requiring recurring revenue growth for the trailing four fiscal quarter period, measured at the end of each fiscal quarter, of not less than 115% of the actual recurring revenue for the same period in the prior fiscal year. As of September 30, 2023 March 31, 2024, the Company was in compliance with the covenants in the Credit Agreement.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

6. Incentive Stock Plan

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

	Three Months Ended March 31,					Three Months Ended March 31,	
	2024					2024	2023
		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
		(in thousands)					
		(in thousands)					
		(in thousands)					
		(in thousands)					
Cost of revenue	Cost of revenue	$ 971	$ 674	$ 2,329	$ 1,888		
Research and development	Research and development	5,020	3,122	12,949	7,907		
Sales and marketing	Sales and marketing	8,570	6,164	22,346	16,341		
General and administrative	General and administrative	4,452	3,014	11,421	7,894		
Total stock-based compensation	Total stock-based compensation	$19,013	$12,974	$49,045	$34,030		

7. Commitments and Contingencies

Contractual Obligations

The Company has non-cancellable minimum guaranteed purchase commitments for primarily data and services. Material contractual commitments as of September 30, 2023 March 31, 2024 that are not disclosed elsewhere are as follows (in thousands):

Years ending December 31,	**Years ending December 31,**		
2023		$	976
2024			
2024			
2024	2024		4,921
2025	2025		2,682
2026	2026		539
2027	2027		236
2028			
Thereafter	Thereafter		—
Total contract commitments		$	9,354
Total contractual obligations			

Legal Matters

From time to time in the normal course of business, the Company may be subject to various legal matters such as threatened or pending claims or proceedings. There were no such material such matters as of and for the period ended September 30, 2023 March 31, 2024.

Indemnification

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

There were no material obligations under such indemnification agreements as of and for the period ended September 30, 2023 March 31, 2024.

8. Segment and Geographic Data

The Company operates as one operating segment. The Company's chief operating decision maker ("CODM") is its chief executive officer, who reviews financial information for purposes of making operating decisions, assessing financial performance and allocating resources. The Company's CODM evaluates financial information on a consolidated basis. As the Company operates as one operating segment, all required segment financial information is found in the condensed consolidated financial statements.

Long-lived assets by geographical region are based on the location of the legal entity that owns the assets. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no significant long-lived assets held by entities outside of the United States.

Revenue by geographical region is determined by location of the Company's customers. Revenue from customers outside of the United States was approximately 28% 27% for each of the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. Revenue by geographical region is as follows (in thousands):

		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
	Three Months Ended March 31,					Three Months Ended March 31,	
	2024					2024	2023
Americas	Americas	$67,052	$51,315	$188,475	$144,830		
EMEA	EMEA	14,164	10,984	39,718	30,713		
Asia Pacific	Asia Pacific	4,316	3,008	11,866	8,625		
Total	Total	$85,532	$65,307	$240,059	$184,168		

9. Net Loss per Share

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

Sprout Social, Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
	Three Months Ended March 31,						Three Months Ended March 31,
	2024					2024	2023
Net loss attributable to common shareholders	Net loss attributable to common shareholders	$ (23,013)	$ (13,933)	$ (46,350)	$ (38,298)		
Weighted average common shares outstanding	Weighted average common shares outstanding	55,831,230	54,716,770	55,508,195	54,450,003		
Net loss per share, basic and diluted	Net loss per share, basic and diluted	$ (0.41)	$ (0.25)	$ (0.83)	$ (0.70)		

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

		September 30,			
		2023	2022		
	March 31,				March 31,
	2024			2024	2023
Stock options outstanding	Stock options outstanding	27,010	59,510		
RSUs outstanding	RSUs outstanding	3,820,734	2,688,608		
Total potentially dilutive shares	Total potentially dilutive shares	3,847,744	2,748,118		

10. Fair Value Measurements

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

- Level 1: Quoted prices in active markets for identical assets or liabilities.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

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

	March 31, 2024			
	Level 1	Level 2	Level 3	Total
Marketable Securities:				
Commercial paper	$ —	$ 1,982	$ —	$ 1,982
Corporate bonds	—	22,263	—	22,263
U.S. Treasury securities	—	499	—	499
U.S. agency securities	—	1,298	—	1,298
Asset-backed securities	—	—	—	—
Total assets	$ —	$ 26,042	$ —	$ 26,042

Sprout Social, Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Marketable Securities:				
Commercial paper	$ —	$ 20,247	$ —	$ 20,247
Corporate bonds	—	39,098	—	39,098
U.S. agency securities	—	17,644	—	17,644
U.S. Treasury securities	—	2,474	—	2,474
Asset-backed securities	—	857	—	857
Total assets	$ —	$ 80,320	$ —	$ 80,320

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Marketable Securities:				
Commercial paper	$—	$ 43,489	$—	$ 43,489
Corporate bonds	—	33,183	—	33,183

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Marketable Securities:				
Commercial paper				
Commercial paper				
Corporate bonds				

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

U.S. Treasury securities	U.S. Treasury securities	—	14,145	—	14,145
U.S. agency securities	U.S. agency securities	—	12,950	—	12,950
Asset-backed securities	Asset-backed securities	—	2,157	—	2,157
Total assets	Total assets	$—	$105,924	$—	$105,924

Marketable securities are classified within Level 2 because they are valued using inputs other than quoted prices that are directly or indirectly observable in the market.

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

For the periods presented, the Company held investment-grade marketable securities which were accounted for as available-for-sale securities. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there was not a significant difference between the amortized cost and fair value of these securities. The gross unrealized gains and losses associated with these securities were immaterial in the periods presented.

The following table classifies our marketable securities by contractual maturity (in thousands):

		September 30, 2023	December 31, 2022
	March 31, 2024	March 31, 2024	December 31, 2023
Due in one year or less	Due in one year or less	71,927	92,929
Due after one year and within two years	Due after one year and within two years	8,393	12,995
Total	Total	80,320	105,924

Sprout Social, Inc.

Notes to Condensed Consolidated Financial Statements (Unaudited)

11. Business Combinations

Tagger Media, Inc.

On August 2, 2023, the Company completed its acquisition of all the outstanding equity of Tagger, an influencer marketing and social intelligence platform. The Company acquired Tagger in order to expand into the influencer marketing category. Tagger's platform enables marketers to discover influencers, plan and manage campaigns, analyze competitor strategies, report on trends and measure return on investment.

The Company acquired Tagger for a total preliminary purchase consideration of $144 million $144 million in cash, which incorporates the impact of various customary adjustments such as working capital, cash and indebtedness.

The Company funded the purchase consideration with a combination of cash on hand and $75 million $75 million borrowed under the Facility further described in Note 5. For 5 - "Revolving Line of Credit" of the nine months ended September 30, 2023, Notes to the Company incurred $4.2 million acquisition-related costs which primarily related to

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

advisory and legal costs, and were recorded within General and administrative expense in the condensed consolidated statements Financial Statements (Part I, Item 1 of operations. this Quarterly Report).

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

The fair values of the tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions. These estimates are based on preliminary information and may be subject to further revision as additional information is obtained during the measurement period, which may last up to 12 months from the date of the acquisition. The primary areas area that remain remains preliminary as of September 30, 2023 relate March 31, 2024 relates to the fair values of intangible assets acquired and goodwill. income taxes. The Company expects to finalize the fair value measurements as soon as practicable, but not later than 12 months from the date of acquisition.

The following table summarizes the preliminary fair values of assets acquired and liabilities assumed as of the date of acquisition (in thousands):

		August 2, 2023
Cash and cash equivalents	$	4,648
Accounts receivable		2,979
Other current and noncurrent assets		932
Intangible assets		27,800
Accounts payable, accrued expenses and other liabilities		(1,757) (1,758)
Deferred revenue		(3,243)
Deferred tax liability		(1,134)
Net assets acquired, excluding Goodwill		30,225 31,358
Goodwill		113,770 112,405
Total consideration	$	143,995 143,763
Cash and cash equivalents acquired		(4,648)
Cash paid for acquisition of business, net of cash acquired	$	139,347 139,115

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

The fair values of the acquired technology and the trademark identified intangible assets were determined utilizing the relief from royalty method under the income approach. The Company applied judgment which involved the use of the assumptions with respect to the future revenue forecast, estimated economic life of the asset, royalty rates, and the discount rate.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The fair values of the customer relationships were valued using the multi-period excess-earnings method. The Company applied judgment which involved the use of the assumptions with respect to the future cash flows forecast, base year revenue growth rates, customer churn attrition rate, discount rate, royalty rate, obsolescence rate and the discount rate. total operating expenses.

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

	Fair Value	Expected Useful Life
Customer Relationships	$ 12,400	7 years
Acquired Technology	14,100	5 years
Trademark	1,300	5 years
	$ 27,800	

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

Repustate, Inc.

On January 19, 2023, the Company completed the acquisition of all the outstanding equity of Repustate, Inc. The acquisition has increased the Company's power, breadth and automation of social listening, messaging, and customer care capabilities with added sentiment analysis, natural language processing (NLP) and artificial-intelligence (AI).

The total final purchase consideration for the acquisition was approximately $8.4 million $8.3 million, consisting of approximately $6.8 million $6.8 million in cash paid at the closing of the acquisition and a holdback of $1.6 1.5 million in cash to be paid as purchase consideration after the one-year anniversary of the closing of the acquisition, assuming no claims by the Company against the holdback amount for post-closing purchase price adjustments or indemnification matters. The purchase price holdback was paid in full in January 2024.

The excess of purchase consideration over the fair value of net assets acquired was recorded as goodwill, and is primarily attributable to expected post-acquisition synergies from integrating the technology into Sprout's platform. The goodwill is not deductible for income tax purposes.

The fair values of the tangible and identifiable intangible assets acquired and liabilities assumed are based on management's estimates and assumptions. These estimates are based on preliminary information and may be subject to further revision as additional information is obtained during the measurement period, which may last up to 12 months from the date The allocation of the acquisition.The primary areas that remain preliminary as of September 30, 2023 relate to residual goodwill based on the holdback payout. The Company expects to finalize the fair value measurements as soon as practicable, but not later than 12 months from of purchase consideration was finalized in the date fourth quarter of acquisition.2023.

The following table summarizes the preliminary fair values of assets acquired and liabilities assumed as of the date of acquisition (in thousands):

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

		January 19, 2023
Cash and cash equivalents	$	366
Intangible assets		1,800
Deferred tax liability		(477)
Other net tangible assets and liabilities assumed		(4)
Net assets acquired, excluding Goodwill		1,685
Goodwill		6,611
Total consideration	$	8,296
Deferred consideration related to holdback		(1,498)
Cash and cash equivalents acquired		(366)
Cash paid for acquisition of business, net of cash acquired	$	6,432

During the three months ended September 30, 2023, there were no significant measurement period adjustments.

The following table summarizes the estimated preliminary fair values (in thousands) and estimated useful lives for the identifiable intangible assets acquired as of the acquisition date:

		Fair Value	Expected Useful Life
Customer Relationships	$	200	1 year
Acquired Technology		1,600	5 years
	$	1,800	

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

Goodwill

The changes in the carrying amount of goodwill during the nine three months ended September 30, 2023 March 31, 2024 were as follows (in thousands):

Goodwill balance as of December 31, 2022 December 31, 2023	$	2,299 121,404
Addition - acquisition of Tagger Purchase price allocation adjustment (Tagger)		113,770 (89)
Addition - acquisition of Repustate		6,611
Goodwill balance as of September 30, 2023 March 31, 2024	$	122,680 121,315

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. This discussion contains forward-looking statements based upon current plans, expectations and beliefs involving risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" in Part II—Item 1A of this Quarterly Report and in Part I—Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, and in other parts of this Quarterly Report. See "Cautionary Note Regarding Forward-Looking Statements."

Overview

Sprout Social is a powerful, centralized platform that provides the critical business layer to unlock the massive commercial value of social media. We have made it increasingly easy to standardize on Sprout Social as the centralized system of record for social and to help customers maximize the value of this mission critical channel. Currently, more than 32,00030,000 customers across more than 100 countries rely on our platform.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Introduced in 2011, our cloud software brings together social messaging, data and workflows in a unified system of record, intelligence and action. Operating across major networks, including X (formerly known as Twitter), Facebook, Instagram, TikTok, Pinterest, LinkedIn, Google, Reddit, Glassdoor and YouTube, and commerce platforms Facebook Shops, Shopify and WooCommerce, we provide organizations with a centralized platform to manage their social media efforts across stakeholders and business functions. Virtually every aspect of business has been impacted by social media, from marketing, sales, commerce and public relations to customer service, product and strategy, creating a need for an entirely new category of software. We offer our customers a centralized, secure and powerful platform to manage this broad, complex channel effectively across their organization.

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

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

We generated revenue of $85.5 million $96.8 million and $65.3 million $75.2 million during the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, representing growth of 31%. We generated revenue of $240.1 million and $184.2 million during the nine months ended September 30, 2023 and 2022, respectively, representing growth of 30% 29%. In the nine three months ended September 30, 2023 March 31, 2024, software subscriptions contributed 99% of our revenue.

We generated net losses of $23.0 $13.6 million and $13.9 million $10.3 million during the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, which included stock-based compensation expense of $19.0 million $18.1 million and $13.0 million, respectively. We generated net losses of $46.4 million and $38.3 million during the nine months ended September 30, 2023 and 2022, respectively, which included stock-based compensation expense of $49.0 million and $34.0 million $13.7 million, respectively. We expect to continue investing in the growth of our business and, as a result, generate net losses for the foreseeable future.

Macroeconomic Conditions

As a company with a global footprint, we are subject to risks and exposures caused by significant events and their macroeconomic impacts, including, but not limited to, the COVID-19 pandemic, the high levels of inflation, high interest rates, ongoing overseas conflict, global geopolitical tension and more recently, rising inflation and interest rates, volatility in the capital markets and related market uncertainty. We continuously monitor the direct and indirect impacts, and the potential for future impacts, of these circumstances on our business and financial results, as well as the overall global economy and geopolitical landscape. Given the importance of our technology platform and heightened market awareness of social media as a strategic communications channel, these factors have not had a material adverse impact on our operational and financial performance to date. However, the potential implications of these macroeconomic events on our business, results of operations and overall financial position, particularly in the long term, introduce additional uncertainty.

Our current and prospective customers are impacted by worsening macroeconomic conditions to varying degrees. We are continuing to monitor for potential future direct and indirect impacts on our business and results of operations.

Acquisition of Tagger Media, Inc.

On August 2, 2023, we completed our acquisition of all the outstanding equity of Tagger Media, Inc. ("Tagger"), for a total preliminary purchase consideration of $144 million. $144 million. We acquired Tagger in order to expand into the influencer marketing category. Tagger's platform enables marketers to discover influencers, plan and manage campaigns, analyze competitor strategies, report on trends and measure return on investment. We funded the purchase consideration with a combination of cash on hand and $75 million borrowed under the Facility further described in Note 5 - Revolving "Revolving Line of Credit Credit" of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report).

The purchase price allocation as of the date of acquisition was based on a preliminary valuation and is subject to revision as more detailed analyses are completed and additional information about the fair value of assets and liabilities acquired become available. We expect to finalize the allocation of the purchase consideration as soon as practicable, pending any other adjustments to acquired assets or liabilities, but no later than 12 months from the acquisition date.

We have included the financial results of Tagger in our condensed consolidated financial statements from the date of acquisition. Refer to Note 11 — Business Combinations - "Business Combinations" of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion regarding the acquisition.

Acquisition of Repustate, Inc.

On January 19, 2023, we completed the acquisition of Repustate, Inc. for a total purchase consideration of approximately $8.4 million $8.3 million, consisting of approximately $6.8 million in cash paid at the closing time of the acquisition and a holdback of $1.6 million $1.5 million in cash to be paid as purchase consideration after the one-year anniversary of the closing of the acquisition, assuming no claims by the Company against the holdback amount for post-closing purchase price adjustments or indemnification matters.

The purchase price allocation as holdback was paid in full in January 2024.

The fair values of the date of acquisition was tangible and identifiable intangible assets acquired and liabilities assumed are based on a preliminary valuation management's estimates and is subject to revision as more detailed analyses are completed and additional information about the assumptions. The allocation of fair value of assets and liabilities acquired become available. We expect to finalize the allocation of the purchase consideration as soon as practicable, pending any other adjustments to acquired assets or liabilities, but no later than 12 months from was finalized in the acquisition date. fourth quarter of 2023.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The Repustate acquisition has increased our power, breadth and automation of social listening, messaging, and customer care capabilities with added sentiment analysis, natural language processing (NLP) and artificial-intelligence artificial intelligence (AI). We have included the financial results of Repustate in our condensed consolidated financial statements from the date of acquisition. The impact of Repustate's financial results following the date of acquisition were not significant to Sprout's condensed consolidated financial statements. Refer to Note 11 — Business Combinations - "Business Combinations" of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

Key Factors Affecting Our Performance

Acquiring new customers

We are focused on continuing to organically grow our customer base by increasing demand for our platform and penetrating our addressable market. We have invested, and expect to continue to invest, heavily in expanding our sales force and marketing efforts to acquire new customers. customers. Currently, we have more than 32,000 30,000 customers. In November 2022, we announced a price increase. For the nine three months ended September 30, 2023 March 31, 2024, as compared to the nine three months ended September 30, 2022 March 31, 2023, this price increase contributed to an increase in our average revenue per customer. While our total number of customers decreased over this same period, our number number of customers contributing over $10,000 in ARR and $50,000 in ARR increased. We expect this trend to continue as we remain focused on higher-value our most sophisticated customers.

Expanding within our current customer base

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

Sustaining product and technology innovation

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

International expansion

We see international expansion as a meaningful opportunity to grow our platform. Revenue generated from non-U.S. customers during the nine three months ended September 30, 2023 March 31, 2024 was approximately 28% 27% of our total revenue. We have teams in Ireland, Canada, the United Kingdom, Singapore, India, Australia, and the Philippines and Poland to support our growth internationally. We believe global demand for our platform and offerings will continue to increase as awareness of our platform in international markets grows. We plan to continue adding to our local sales, customer support and customer success teams in select international markets over time.

Key Business Metrics

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

Number of customers

We define a customer as a unique account, multiple accounts containing a common non-personal email domain, or multiple accounts governed by a single agreement or entity. We Consistent with our communications in previous quarters, we no longer believe that the ARR and total number of customers using our platform is an indicator are key performance indicators of our market penetration.

	As of September 30,	
	2023	2022
Number of customers	32,383	34,258

ARR

We define ARR as the annualized revenue run-rate of subscription agreements from all customers as of the last date of the specified period. We believe ARR is an indicator of the scale of our entire platform while mitigating fluctuations Sprout Social's business due to seasonality our evolving customer mix and contract term. we will no longer publicly disclose these metrics.

	As of September 30,	
	2023	2022
	(in thousands)	
ARR	$ 359,545	$ 271,266

Number of customers contributing more than $10,000 in ARR

We define customers contributing more than $10,000 in ARR as those on a paid subscription plan that had more than $10,000 in ARR as of a period end.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

We view the number of customers that contribute more than $10,000 in ARR as a measure of our ability to scale with our customers and attract larger organizations. We believe this represents potential for future growth, including expanding within our current customer base. Over time, larger customers have constituted a greater share of our revenue.

	As of September 30,	
	2023	2022
Number of customers contributing more than $10,000 in ARR	8,111	6,111

	As of March 31,	
	2024	2023
Number of customers contributing more than $10,000 in ARR	8,823	7,107

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

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

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

	As of March 31,	
	2024	2023
Number of customers contributing more than $50,000 in ARR	1,449	1,008

	As of September 30,	
	2023	2022
Number of customers contributing more than $50,000 in ARR	1,252	843

While we no longer believe that ARR and total number of customers are key performance indicators of Sprout Social’s business, these metrics are necessary for an understanding of how we define number of customers contributing over $10,000 in ARR and number of customers contributing over $50,000 in ARR. For this purpose, we define ARR as the annualized revenue run-rate of subscription agreements from all customers as of the last date of the specified period and we define a customer as a unique account, multiple accounts containing a common non-personal email domain, or multiple accounts governed by a single agreement or entity.

Components of our Results of Operations

Revenue

Subscription

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

Professional Services

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

Cost of Revenue

Subscription

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

Professional Services and Other

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

Gross Profit and Gross Margin

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

Operating Expenses

Research and Development

Research and development expenses primarily consist of personnel costs, including salaries, benefits and allocated overhead. Research and development expenses also include depreciation expense and other expenses associated with product development. We plan to increase the dollar amount of our investment in research and development for the foreseeable future as we focus on developing new features and enhancements to our plan offerings.

Sales and Marketing

Sales and marketing expenses primarily consist of personnel costs directly associated with our sales and marketing department, online advertising expenses, as well as allocated overhead, including depreciation expense. Sales force commissions and bonuses are considered incremental costs of obtaining a contract with a customer. Sales commissions are earned and recorded at contract commencement for both new customer contracts and expansion of contracts with existing customers. Sales commissions are deferred and amortized on a straight-line basis over a the expected period of benefit, of three which we have determined to be five years. We plan to increase the dollar amount of our investment in sales and marketing for the foreseeable future, primarily for increased headcount for our sales department.

General and Administrative

General and administrative expenses primarily consist of personnel expenses associated with our finance, legal, human resources and other administrative employees. Our general and administrative expenses also include professional fees for external legal, accounting and other consulting services, amortization of intangible assets, depreciation and amortization expense, as well as allocated overhead. We expect to increase the size of our general and administrative functions to support the growth of our business. We expect the dollar amount of our general and administrative expenses to increase for the foreseeable future. However, we expect our general and administrative expenses to decrease as a percentage of revenue over time.

Interest Income (Expense), Net

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

Other Expense, Net

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

Income Tax Provision

The income tax provision consists of current and deferred taxes for our United States and foreign jurisdictions. We have historically reported a taxable loss in our most significant jurisdiction, the United States, and have a full valuation allowance against our deferred tax assets. We expect this trend to continue for the foreseeable future.

Results of Operations

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

	Three Months Ended March 31,						Three Months Ended March 31,
	2024					2024	2023
		Three Months Ended September 30,		Nine Months Ended September 30,			
		2023	2022	2023	2022		
		(in thousands)					
		(in thousands)					
		(in thousands)					
		(in thousands)					
Revenue	**Revenue**						
Subscription							
Subscription							
Subscription	Subscription	$ 84,802	$ 64,536	$238,234	$182,048		

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Professional services and other	Professional services and other	730	771	1,825	2,120
Total revenue	Total revenue	85,532	65,307	240,059	184,168
Cost of revenue(1)	**Cost of revenue(1)**				
Subscription	Subscription	19,874	15,008	54,479	43,641
Subscription					
Subscription					
Professional services and other	Professional services and other	324	304	828	802
Total cost of revenue	Total cost of revenue	20,198	15,312	55,307	44,443
Gross profit	Gross profit	65,334	49,995	184,752	139,725
Operating expenses	**Operating expenses**				
Research and development(1)					
Research and development(1)					
Research and development(1)	Research and development(1)	20,057	16,278	56,889	44,717
Sales and marketing(1)	Sales and marketing(1)	44,499	32,411	120,711	88,373
General and administrative(1)	General and administrative(1)	24,982	15,691	58,206	45,162
Total operating expenses	Total operating expenses	89,538	64,380	235,806	178,252
Loss from operations	Loss from operations	(24,204)	(14,385)	(51,054)	(38,527)
Interest expense	Interest expense	(1,147)	(29)	(1,210)	(128)
Interest income	Interest income	1,651	728	5,811	1,172
Other expense, net	Other expense, net	(293)	(160)	(650)	(558)
Loss before income taxes	Loss before income taxes	(23,993)	(13,846)	(47,103)	(38,041)
Income tax (benefit) expense	Income tax (benefit) expense	(980)	87	(753)	257
Net loss	Net loss	$(23,013)	$(13,933)	$ (46,350)	$ (38,298)

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

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
		(in thousands)			
	Three Months Ended March 31,				Three Months Ended March 31,
	2024			2024	2023
	(in thousands)				(in thousands)
Cost of revenue	Cost of revenue	$ 971	$ 674	$ 2,329	$ 1,888

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Research and development	Research and development	5,020	3,122	12,949	7,907
Sales and marketing	Sales and marketing	8,570	6,164	22,346	16,341
General and administrative	General and administrative	4,452	3,014	11,421	7,894
Total stock-based compensation	Total stock-based compensation	$19,013	$12,974	$49,045	$34,030

		Three Months Ended September 30,		Nine Months Ended September 30,						
		2023	2022	2023	2022					
		(as a percentage of total revenue)								
	Three Months Ended March 31,								Three Months Ended March 31,	
	2024						2024		2023	
	(as a percentage of total revenue)								*(as a percentage of total revenue)*	
Revenue	**Revenue**									
Subscription										
Subscription										
Subscription	Subscription	99 %	99 %	99 %	99 %		99	%	99	%
Professional services and other	Professional services and other	1 %	1 %	1 %	1 %	Professional services and other	1	%	1	%
Total revenue	Total revenue	100 %	100 %	100 %	100 %	Total revenue	100	%	100	%
Cost of revenue	**Cost of revenue**									
Subscription	Subscription	23 %	23 %	23 %	24 %					
Subscription										
Subscription							23	%	22	%
Professional services and other	Professional services and other	— %	— %	— %	— %	Professional services and other	—	%	—	%
Total cost of revenue	Total cost of revenue	24 %	23 %	23 %	24 %	Total cost of revenue	23	%	22	%
Gross profit	Gross profit	76 %	77 %	77 %	76 %	Gross profit	77	%	78	%
Operating expenses	**Operating expenses**									
Research and development										
Research and development										
Research and development	Research and development	23 %	25 %	24 %	24 %		25	%	24	%
Sales and marketing	Sales and marketing	52 %	50 %	50 %	48 %	Sales and marketing	46	%	49	%
General and administrative	General and administrative	29 %	24 %	24 %	25 %	General and administrative	20	%	21	%
Total operating expenses	Total operating expenses	105 %	99 %	98 %	97 %	Total operating expenses	91	%	93	%

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Loss from operations	Loss from operations	(28)%	(22)%	(21)%	(21)%	Loss from operations	(14) %	(16)	%
Interest expense	Interest expense	(1)%	— %	(1)%	— %	Interest expense	(1) %	—	%
Interest income	Interest income	2 %	1 %	2 %	1 %	Interest income	1 %	3	%
Other expense, net	Other expense, net	— %	— %	— %	— %	Other expense, net	— %	—	%
Loss before income taxes	Loss before income taxes	(28)%	(21)%	(20)%	(21)%	Loss before income taxes	(14) %	(13)	%
Income tax (benefit) expense	Income tax (benefit) expense	(1)%	— %	— %	— %	Income tax (benefit) expense	— %	—	%
Net loss	Net loss	(27)%	(21)%	(19)%	(21)%	Net loss	(14) %	(14)	%

Note: Certain amounts may not sum due to rounding

Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended September 30, 2022 March 31, 2023

Revenue

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
		(dollars in thousands)		
Revenue				
Subscription	$ 84,802	$ 64,536	$ 20,266	31 %
Professional services and other	730	771	(41)	(5)%
Total revenue	$ 85,532	$ 65,307	$ 20,225	31 %
Percentage of Total Revenue				
Subscription	99 %	99 %		
Professional services and other	1 %	1 %		

The increase in subscription revenue was primarily driven by increased revenue from our highest tier customers. Customers contributing over $10,000 in ARR grew 33% versus the prior year and customers contributing over $50,000 in ARR grew 49% versus the prior year. The increase in new customers within the highest tiers was primarily driven by prioritizing our customer success and growth resources towards these customers and continuing to grow our sales force capacity to meet market demand.

Cost of Revenue and Gross Margin

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
		(dollars in thousands)		
Cost of revenue				
Subscription	$ 19,874	$ 15,008	$ 4,866	32 %
Professional services and other	324	304	20	7 %
Total cost of revenue	20,198	15,312	4,886	32 %
Gross profit	$ 65,334	$ 49,995	$ 15,339	31 %
Gross margin				
Total gross margin	76 %	77 %		

The increase in cost of subscription revenue for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was primarily due to the following:

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	Change
	(in thousands)
Data provider fees	$ 3,290
Personnel costs	378
Stock-based compensation expense	297
Amortization of intangible assets	470
Other	431
Subscription cost of revenue	$ 4,866

Fees paid to our data providers increased due to revenue growth. Personnel costs increased primarily as a result of a 7% increase in headcount as we continue to grow our customer support and customer success teams to support our customer growth. The increase in stock-based compensation expense was primarily due to the increased headcount. The increase in the amortization expense of intangible assets was driven by the acquired developed technology recognized as part of the Tagger acquisition.

Operating Expenses

Research and Development

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Research and development	$ 20,057	$ 16,278	$ 3,779	23 %
Percentage of total revenue	23 %	25 %		

The increase in research and development expense for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was primarily due to the following:

	Change
	(in thousands)
Personnel costs	$ 1,756
Stock-based compensation expense	1,898
Other	125
Research and development	$ 3,779

Personnel costs increased primarily as a result of a 9% increase in headcount to grow our research and development teams to drive our technology innovation through the development and maintenance of our platform. The increase in stock-based compensation expense was primarily due to the increased headcount.

Sales and Marketing

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 44,499	$ 32,411	$ 12,088	37 %
Percentage of total revenue	52 %	50 %		

The increase in sales and marketing expense for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was primarily due to the following:

	Change
	(in thousands)
Personnel costs	$ 9,029
Stock-based compensation expense	2,406
Other	653
Sales and marketing	$ 12,088

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Personnel costs increased primarily as a result of a 17% increase in headcount as we continue to expand our sales teams to grow our customer base, as well as additional sales commission expense due to the year-over-year sales growth, which increased the amortization of contract acquisition costs. The increase in stock-based compensation expense was primarily due to the increased headcount.

General and Administrative

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
	(*dollars in thousands*)			
General and administrative	$ 24,982	$ 15,691	$ 9,291	59 %
Percentage of total revenue	29 %	24 %		

The increase in general and administrative expense for the three months ended September 30, 2023 compared to the three months ended September 30, 2022 was primarily due to the following:

	Change
	(*in thousands*)
Acquisition-related costs	$ 3,755
Personnel costs	1,993
Stock-based compensation expense	1,438
Credit losses on accounts receivable	783
Amortization of intangible assets	469
Other	853
General and administrative	$ 9,291

Acquisition-related costs increased due to the acquisition of Tagger on August 2, 2023. Personnel costs and stock-based compensation expense increased primarily as a result of a 14% increase in headcount as we continue to grow our business. The increase in the amortization expense of intangible assets was primarily driven by the intangible assets recognized as part of the Tagger acquisition. The increase in credit losses on accounts receivable was primarily driven by higher accounts receivable balances.

Interest Income, Net

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
	(*dollars in thousands*)			
Interest income, net	$ 504	$ 699	$ (195)	(28)%
Percentage of total revenue	1 %	1 %		

The decrease in interest income, net was primarily driven by higher interest expense from the Facility, partially offset by higher interest income from the Company's marketable securities due to higher interest rates.

Other Expense, Net

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
	(*dollars in thousands*)			
Other expense, net	$ (293)	$ (160)	$ (133)	83 %
Percentage of total revenue	— %	— %		

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

Income Tax (Benefit) Expense

	Three Months Ended September 30,		Change	
	2023	2022	Amount	%
	(*dollars in thousands*)			

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Income tax (benefit) expense	$	(980)	$	87	$	(1,067) n/m(1)
Percentage of total revenue		(1)%		— %		

(1) Calculated metric is not meaningful.

The change in income tax (benefit) expense was primarily driven by the income tax benefit recorded in the third quarter of 2023 due to a release of the Company's valuation allowance resulting from deferred tax liabilities established for finite-lived intangible assets from the acquisition of Tagger.

Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Revenue

	Three Months Ended March 31,					Three Months Ended March 31,			Change	
	2024					2024		2023	Amount	%

		Nine Months Ended September 30,		Change	
		2023	2022	Amount	%
		(*dollars in thousands*)			
		(*dollars in thousands*)			
		(*dollars in thousands*)			
		(*dollars in thousands*)			
Revenue	**Revenue**				
Subscription					
Subscription					
Subscription	Subscription	$238,234	$182,048	$56,186	31 %
Professional services and other	Professional services and other	1,825	2,120	(295)	(14)%
Total revenue	Total revenue	$240,059	$184,168	$55,891	30 %
Percentage of Total Revenue	**Percentage of Total Revenue**				
Subscription	Subscription	99 %	99 %		
Subscription					
Subscription					
Professional services and other	Professional services and other	1 %	1 %		
Professional services and other					
Professional services and other					

	$ 95,789	$	$ 74,742	$	$21,047	28		28	%
Professional services and other	995	470	470	525	525	112		112	%
Total revenue	$96,784	$	$75,212	$	$21,572	29		29	%

The increase in subscription revenue was primarily driven by increased revenue from our highest tier customers. Customers contributing over $10,000 in ARR grew 33%24% versus the prior year and customers contributing over $50,000 in ARR grew 49%44% versus the prior year. The increase in new customers within the highest tiers was primarily driven by prioritizing our customer success and growth resources towards these customers and continuing to grow our sales force capacity to meet market demand.

Cost of Revenue and Gross Margin

	Three Months Ended March 31,					Three Months Ended March 31,			Change	
	2024					2024		2023	Amount	%
		Nine Months Ended September 30,		Change						
		2023	2022	Amount	%					

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

		(dollars in thousands)											
		(dollars in thousands)											
		(dollars in thousands)											
		(dollars in thousands)											
Cost of revenue	**Cost of revenue**												
Subscription													
Subscription													
Subscription	Subscription	$ 54,479	$ 43,641	$10,838	25 %	$	22,205	$	$ 16,633	$	$5,572	33	33 %
Professional services and other	Professional services and other	828	802	26	3 %	Professional services and other	223	242	242	(19)	(19)	(8)	(8)%
Total cost of revenue	Total cost of revenue	55,307	44,443	10,864	24 %	Total cost of revenue	22,428	16,875	16,875	5,553	5,553	33	33 %
Gross profit	Gross profit	$184,752	$139,725	$45,027	32 %	Gross profit	$74,356	$	$58,337	$	$16,019	27	27 %
Gross margin	**Gross margin**												
Total gross margin	Total gross margin	77 %	76 %										
Total gross margin													
Total gross margin													

The increase in cost of subscription revenue for the nine three months ended September 30, 2023 March 31, 2024 compared to the nine three months ended September 30, 2022 March 31, 2023 was primarily due to the following:

	Change
	(in thousands)
Data provider fees	$ 8,252 2,928
Personnel costs	895 817
Stock-based compensation expense	441
Amortization of intangible assets	470 705
Stock-based compensation expense	424
Other	780 698
Subscription cost of revenue	$ 10,838 5,572

Fees paid to our data providers increased due to revenue growth. Personnel costs increased primarily as a result of a4%7% increase in headcount as we continue to grow our customer support and customer success teams to support our customer growth. The increase in stock-based compensation expense was primarily due to the increased headcount. The increase in the amortization expense of intangible assets was driven by the acquired developed technology recognized as part of the Tagger acquisition. The increase in stock-based compensation expense was primarily due to the increased headcount.

Operating Expenses

Research and Development

	Three Months Ended March 31,		Three Months Ended March 31,		Change	
	2024		2024	2023	Amount	%
	Nine Months Ended September 30,		Change			
	2023	2022	Amount	%		
	(dollars in thousands)					
	(dollars in thousands)					

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	(dollars in thousands)											
	(dollars in thousands)											
Research and development	Research and development	$56,889	$44,717	$12,172	27 %	Research and development	$ 23,769	$	$ 17,876	$	$ 5,893	33	33 %
Percentage of total revenue	Percentage of total revenue	24 %	24 %									

The increase in research and development expense for the nine three months ended September 30, 2023 March 31, 2024 compared to the nine three months ended September 30, 2022 March 31, 2023 was primarily due to the following:

		Change
		(in thousands)
Personnel costs	$	7,020 3,482
Stock-based compensation expense		5,042 1,848
Other		110 563
Research and development	$	12,172 5,893

Personnel costs increased primarily as a result of a19% 9% increase in headcount to grow our research and development teams to drive our technology innovation through the development and maintenance of our platform. The increase in stock-based compensation expense was primarily due to the increased headcount.

Sales and Marketing

	Three Months Ended March 31,					Three Months Ended March 31,						Change	
	2024					2024			2023			Amount	%
	Nine Months Ended September 30,			Change									
		2023	2022	Amount	%								
		(dollars in thousands)											
		(dollars in thousands)											
		(dollars in thousands)											
		(dollars in thousands)											
Sales and marketing	Sales and marketing	$120,711	$88,373	$32,338	37 %	Sales and marketing	$ 44,540	$	$ 36,905	$	$ 7,635	21	21 %
Percentage of total revenue	Percentage of total revenue	50 %	48 %										

The increase in sales and marketing expense for the nine three months ended September 30, 2023 March 31, 2024 compared to the nine three months ended September 30, 2022 March 31, 2023 was primarily due to the following:

		Change
		(in thousands)
Personnel costs	$	25,231 5,440
Stock-based compensation expense		6,005 806
Advertising		658
Other		1,102 731
Sales and marketing	$	32,338 7,635

Personnel costs increased primarily as a result of a 17%23% increase in headcount as we continue to expand our sales teams to grow our customer base, as well as additional sales commission expense due to the year-over-year sales growth, which increased the amortization of contract acquisition costs. base. The increase in stock-based compensation expense was primarily due to the increased headcount. The increase in other expense was driven by other general marketing costs.

General and Administrative

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	Three Months Ended March 31,						Three Months Ended March 31,					Change		
	2024						2024		2023			Amount		%
		Nine Months Ended September 30,		Change										
		2023	2022	Amount	%									
		(dollars in thousands)												
		(dollars in thousands)												
		(dollars in thousands)												
		(dollars in thousands)												
General and administrative	General and administrative	$58,206	$45,162	$13,044	29 %	General and administrative	$ 19,334	$	$ 15,489	$	$	3,845	25	25 %
Percentage of total revenue	Percentage of total revenue	24 %	25 %											

The increase in general and administrative expense for the nine three months ended September 30, 2023 March 31, 2024 compared to the nine three months ended September 30, 2022 March 31, 2023 was primarily due to the following:

		Change
		(in thousands)
Acquisition-related Personnel costs	$	4,221 2,230
Stock-based compensation expense		3,527 1,332
Personnel costs		3,374
Credit losses on accounts receivable		1,021
Amortization of intangible assets		685 500
Other		216 (217)
General and administrative	$	13,044 3,845

Acquisition-related Personnel costs increased due to the acquisition of Tagger on August 2, 2023. Stock-based and stock-based compensation expense and personnel costs increased primarily as a result of a 14% 21% increase in headcount as we continue to grow our business. The increase in the amortization expense of intangible assets was primarily driven by the intangible assets recognized as part of the Repustate and Tagger acquisitions. The increase in credit losses on accounts receivable was primarily driven by higher accounts receivable balances. acquisition.

Interest Income, Net

	Three Months Ended March 31,						Three Months Ended March 31,			Change	
	2024						2024	2023		Amount	%
		Nine Months Ended September 30,		Change							
		2023	2022	Amount	%						
		(dollars in thousands)									
Interest income, net		$4,601	$1,044	$3,557	n/m(1)						
		(dollars in thousands)									
		(dollars in thousands)									
		(dollars in thousands)									
Interest income (expense), net						Interest income (expense), net	$ (11)	$ 1,992	$	(2,003)	(101) %
Percentage of total revenue	Percentage of total revenue	2 %	1 %								

(1) Calculated metric is not meaningful.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The increase decrease in interest income, net was primarily driven by higher interest income from the Company's marketable securities due to higher interest rates, partially offset by higher interest expense from the Facility. Facility and lower interest income attributable to a lower balance of marketable securities.

Other Expense, Net

	Three Months Ended March 31, 2024	Nine Months Ended September 30, 2023	2022	Change Amount	%		Three Months Ended March 31, 2024	2023	Change Amount	%
		(dollars in thousands)								
		(dollars in thousands)								
		(dollars in thousands)								
		(dollars in thousands)								
Other expense, net	Other expense, net	$(650)	$(558)	$ (92)	16 %	Other expense, net	$ (406) $	$ (209) $	$ $ (197)	94 94 %
Percentage of total revenue	Percentage of total revenue	— %	— %							

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

Income Tax (Benefit) Expense

	Three Months Ended March 31, 2024	Nine Months Ended September 30, 2023	2022	Change Amount	%		Three Months Ended March 31, 2024	2023	Change Amount	%
		(dollars in thousands)								
		(dollars in thousands)								
		(dollars in thousands)								
		(dollars in thousands)								
Income tax (benefit) expense	Income tax (benefit) expense	$(753)	$257	$(1,010)	n/m(1)	Income tax (benefit) expense	$ (129) $	$ 102 $	$ (231)	n/m(1) n/m(1)
Percentage of total revenue	Percentage of total revenue	— %	— %							

(1) Calculated metric is not meaningful.

The change in income tax (benefit) expense was primarily driven by the attributable to a foreign income tax benefit recorded in the third quarter of 2023 due to the release of the Company's valuation allowance resulting from deferred tax liabilities established for finite-lived intangible assets from the acquisition of Tagger.

current year.

Non-GAAP Financial Measures

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

However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

comparison. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

Non-GAAP Gross Profit

We define non-GAAP gross profit as GAAP gross profit, excluding stock-based compensation expense and amortization expense associated with the acquired developed technology from the Tagger acquisition. We believe non-GAAP gross profit provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure it eliminates the effect of stock-based compensation and amortization expense, which are often unrelated to overall operating performance. During the third quarter of In 2023, we revised our definition of non-GAAP gross profit to exclude amortization expense associated with the acquired developed technology from the Tagger acquisition.

		Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
	Three Months Ended March 31, 2024				
Reconciliation of Non-GAAP gross profit	**Reconciliation of Non-GAAP gross profit**	***(dollars in thousands)***			
Gross profit	Gross profit	$65,334	$49,995	$184,752	$139,725
Stock-based compensation expense	Stock-based compensation expense	971	674	2,329	1,888
Amortization of acquired developed technology	Amortization of acquired developed technology	470	—	470	—
Non-GAAP gross profit	Non-GAAP gross profit	$66,775	$50,669	$187,551	$141,613

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Non-GAAP gross profit	***(dollars in thousands)***	

Non-GAAP Operating Income (Loss)

We define non-GAAP operating income (loss) as GAAP loss from operations, excluding stock-based compensation expense, acquisition-related expenses and amortization expense associated with the acquired intangible assets from the Tagger acquisition. We believe non-GAAP operating income (loss) provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as it eliminates the effect of stock-based compensation, acquisition-related expenses and amortization expense, which are often unrelated to overall operating performance. In 2023, we revised our definition of non-GAAP operating income to exclude acquisition-related expenses in connection with the Tagger acquisition (which are not applicable for the periods presented) and amortization expense associated with the acquired intangible assets from the Tagger acquisition.

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Non-GAAP operating income	***(dollars in thousands)***	
Loss from operations	$ (13,287)	$ (11,933)
Stock-based compensation expense	18,066	13,656
Amortization of acquired intangible assets	1,213	—
Non-GAAP operating income	$ 5,992	$ 1,723

Non-GAAP Net Income

We define non-GAAP net income as GAAP net loss, excluding stock-based compensation expense, acquisition-related expenses and amortization expense associated with the acquired intangible assets from the Tagger acquisition. We believe non-GAAP net income provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, acquisition-related expenses and amortization expense, which are often unrelated to overall operating performance. During the second quarter of In 2023, we revised our definition of non-GAAP operating net income (loss) to exclude acquisition-related expenses in connection with our the Tagger acquisition of Tagger. During (which are not applicable for the third quarter of 2023, we revised our definition of non-GAAP operating income (loss) to exclude periods presented) and amortization expense associated with the acquired intangible assets from the Tagger acquisition.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of Non-GAAP operating income (loss)	***(dollars in thousands)***			
Loss from operations	$ (24,204)	$ (14,385)	$ (51,054)	$ (38,527)

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Stock-based compensation expense	19,013	12,974	49,045	34,030
Acquisition-related expenses	3,755	—	4,221	—
Amortization of acquired intangible assets	809	—	809	—
Non-GAAP operating income (loss)	$ (627)	$ (1,411)	$ 3,021	$ (4,497)

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Non-GAAP net income	*(dollars in thousands)*	
Net loss	$ (13,575)	$ (10,252)
Stock-based compensation expense	18,066	13,656
Amortization of acquired intangible assets	1,213	—
Non-GAAP net income	$ 5,704	$ 3,404

Non-GAAP Net Income (Loss) per Share

We define non-GAAP net income (loss) per share as GAAP net loss per share attributable to common shareholders, basic and diluted, excluding stock-based compensation expense, acquisition-related expenses and amortization expense associated with the acquired intangible assets from the Tagger acquisition and tax benefits due to changes in the valuation allowance from the Tagger acquisition. We believe non-GAAP net income (loss) per share provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, acquisition-related expenses and amortization expense, and tax benefits due to changes in valuation allowances from business acquisitions, which are often unrelated to overall operating performance. During the second quarter of In 2023, we revised our definition of non-GAAP net income (loss) per share to exclude acquisition-related expenses in connection with our the Tagger acquisition of Tagger. During (which are not applicable for the third quarter of 2023, we revised our definition of non-GAAP net income (loss) to exclude periods presented) and amortization expense associated with the acquired intangible assets from the Tagger acquisition and tax benefits recognized from changes in the valuation allowance associated with our acquisition of Tagger. acquisition.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of Non-GAAP net income (loss)	*(dollars in thousands)*			
Net loss	$ (23,013)	$ (13,933)	$ (46,350)	$ (38,298)
Stock-based compensation expense	19,013	12,974	49,045	34,030
Acquisition-related expenses	3,755	—	4,221	—
Amortization of acquired intangible assets	809	—	809	—
Tax benefit due to change in valuation allowance from business acquisition	(1,134)	—	(1,134)	—
Non-GAAP net income (loss)	$ (570)	$ (959)	$ 6,591	$ (4,268)

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Non-GAAP net income per share		
Net loss per share attributable to common shareholders, basic and diluted	$ (0.24)	$ (0.19)
Stock-based compensation expense per share	0.32	0.25
Amortization of acquired intangible assets	0.02	—
Non-GAAP net income per share	$ 0.10	$ 0.06

Non-GAAP Net Income (Loss) per Share Free Cash Flow

We define non-GAAP net income (loss) per share as GAAP net loss per share attributable to common shareholders, basic and diluted, excluding stock-based compensation expense, acquisition-related expenses, amortization expense associated with the acquired intangible assets from the Tagger acquisition and tax benefits due to changes in the valuation allowance from the Tagger acquisition. We believe non-GAAP net income (loss) per share provides our management and investors consistency and comparability with our past financial performance and facilitates period-to-period comparisons of operations, as this non-GAAP financial measure eliminates the effect of stock-based compensation, acquisition-related expenses, amortization expense and tax benefits due to changes in valuation allowances from business acquisitions, which are often unrelated to overall operating performance. During the second quarter of 2023, we revised our definition of non-GAAP net income (loss) per share to exclude acquisition-related expenses in connection with our acquisition of Tagger. During the third quarter of 2023, we revised our definition of non-GAAP net income (loss) per share to exclude amortization expense associated with the acquired intangible assets from the Tagger acquisition and tax benefits recognized from changes in the valuation allowance associated with our acquisition of Tagger.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of Non-GAAP net income (loss) per share				
Net loss per share attributable to common shareholders, basic and diluted	$ (0.41)	$ (0.25)	$ (0.83)	$ (0.70)
Stock-based compensation expense per share	0.34	0.23	0.88	0.62
Acquisition-related expenses	0.07	—	0.08	—
Amortization of acquired intangible assets	0.01	—	0.01	—
Tax benefit due to change in valuation allowance from business acquisition	(0.02)	—	(0.02)	—
Non-GAAP net income (loss) per share	$ (0.01)	$ (0.02)	$ 0.12	$ (0.08)

Free Cash Flow

Free free cash flow is a non-GAAP financial measure that we define as net cash provided by (used in) operating activities less expenditures for property and equipment, acquisition-related costs and acquisition-related costs. interest. Non-GAAP free cash flow does not reflect our future contractual obligations or represent the total increase or decrease in our cash balance for a given period. We believe that non-GAAP free cash flow is a useful indicator of liquidity that provides information to management and investors about the amount of cash provided by used in our core operations that, after the expenditures for property and equipment, and acquisition-related costs and interest, is available to be used for strategic initiatives. For example, if non-GAAP free cash flow is negative, we may need to access cash reserves or other sources of capital to invest in strategic initiatives. One limitation of free cash flow is that it does not reflect our future contractual obligations. Additionally, free cash flow does not represent the total increase or decrease in our cash balance for a given period. During the third quarter of In 2023, we revised our definition of non-GAAP free cash flow to exclude payments related to acquisition-related costs associated with our acquisition of Tagger.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Reconciliation of Free cash flow	(*dollars in thousands*)			
Net cash provided by operating activities	$ (5,518)	$ 1,047	$ 9,060	$ 7,716
Expenditures for property and equipment	(800)	(514)	(1,444)	(1,427)
Acquisition-related costs	2,906	—	2,906	—
Free cash flow	$ (3,412)	$ 533	$ 10,522	$ 6,289

Tagger (which are not applicable for the periods presented) and cash paid for interest on our revolving line of credit.

	Three Months Ended March 31,	
	2024	2023
Reconciliation of Non-GAAP free cash flow	(*dollars in thousands*)	
Net cash provided by operating activities	$ 11,164	$ 8,284
Expenditures for property and equipment	(1,092)	(383)
Interest paid on credit facility	1,260	—
Non-GAAP free cash flow	$ 11,332	$ 7,901

Liquidity and Capital Resources

As of September 30, 2023 March 31, 2024, our principal sources of liquidity were cash and cash equivalents of $41.1 million $69.2 million, marketable securities of $80.3 million $26.0 million and net accounts receivable of $45.1 million $50.4 million. Historically, we have generated losses from operations as evidenced by our accumulated deficit and in previous years, we had negative cash flows from operations. However, for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we generated positive cash flows from operations. We expect to continue to incur operating losses and may have negative operating cash flows for the foreseeable future as we continue to grow the business. We may experience greater than anticipated operating losses in the short- and long-term due to macroeconomic, financial, and other factors that are beyond our control, such as rising inflation rates and a potential recession. The impact of these factors on our customers and our operations going forward remains uncertain, and we continue to proactively monitor our liquidity position.

Prior to our IPO in December 2019, we financed our operations primarily through private issuance of equity securities and line of credit borrowings. In our IPO, we received net proceeds of $134.3 million after deducting underwriting discounts and commissions of $10.5 million and offering expenses of $5.2 million. We subsequently received an additional $10.0 million of net proceeds after deducting underwriting discounts and commissions in January 2020 as a result of the over-allotment option exercise by the underwriters of our IPO. In August 2020, we received $42.1 million of net proceeds from our equity follow-on offering after deducting underwriting discounts and commissions. As described below, in August 2023,

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

we borrowed $75 million under the Facility in connection with the Tagger acquisition. Our principal uses of cash in recent periods have been to fund operations, pay for acquisitions, invest in marketable securities, pay down our Facility, and invest in capital expenditures.

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

Credit Agreement

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

Borrowings under the Facility may be designated as SOFR Loans or ABR Loans (each as defined in the Credit Agreement), subject to certain terms and conditions under the Credit Agreement, and bear interest at a rate of either (i) SOFR (subject to a 1.0% floor), plus 0.10%, plus a margin ranging from 2.75% to 3.25% based on the Company’s liquidity or (ii) ABR (subject to a 2.0% floor) plus a margin ranging from 1.75% to 2.25% based on the Company’s liquidity. The Facility also includes a quarterly commitment fee on the unused portion of the Facility of 0.30% or 0.35% based on the Company’s liquidity.

The Credit Agreement includes customary conditions to credit extensions, affirmative and negative covenants, and customary events of default. In addition, the Credit Agreement contains financial covenants as to (i) minimum liquidity, requiring the maintenance, at all times and measured at the end of each fiscal quarter, of cash and cash equivalents of not less than the greater of (x) $30 million and (y) 30% of the total revolving commitments, and (ii) minimum recurring revenue growth, requiring recurring revenue growth for the trailing four fiscal quarter period, measured at the end of each fiscal quarter, of not less than 115% of the actual recurring revenue for the same period in the prior fiscal year.

On August 1, 2023, we borrowed $75 million under the Credit Agreement in connection with the Tagger acquisition. As of September 30, 2023 March 31, 2024, $75 million $45 million remains outstanding under the Credit Agreement. Refer to Note 11 — Business Combinations - “Business Combinations” of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report) for further discussion.

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

	Nine Months Ended September 30,	
	2023	2022
	(in thousands)	
Net cash provided by operating activities	$ 9,060	$ 7,716
Net cash used in investing activities	(118,806)	(18,799)
Net cash provided by (used in) financing activities	73,790	(890)
Net decrease in cash, cash equivalents and restricted cash	$ (35,956)	$ (11,973)

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net cash provided by operating activities	$ 11,164	$ 8,284
Net cash provided by (used in) investing activities	20,054	(8,691)
Net cash used in financing activities	(11,476)	(1,099)
Net increase (decrease) in cash, cash equivalents and restricted cash	$ 19,742	$ (1,506)

Operating Activities

Our largest source of operating cash is cash collections from our customers for subscription services. Our primary uses of cash from operating activities are for personnel costs across the sales and marketing and research and development departments and hosting costs. Historically, we have generated negative cash flows from operating activities. However, for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we generated positive cash flows from operating activities.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Net cash provided by operating activities during the nine three months ended September 30, 2023 March 31, 2024 was $9.1 million $11.2 million, which resulted from a net loss of $46.4 million $13.6 million adjusted for non-cash charges of $71.2 million $24.4 million and net cash outflow inflow of $15.8 million $0.4 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $49.0 million $18.1 million of stock-based compensation expense, $19.1 million $3.5 million for amortization of deferred contract acquisition costs, which were primarily commissions, $1.1 million $0.4 million of amortization of right-of-use, or ROU, operating lease assets, and $4.2 million $2.5 million of depreciation and intangible asset amortization expense. The net cash inflow from changes in operating assets and liabilities was primarily the result of a $13.0 million decrease in accounts receivable and a $5.6 million increase in deferred revenue. These inflows were primarily offset by a $7.7 million increase in prepaid expenses and other assets, a $6.8 million increase in deferred commissions due to the addition of new customers and expansion of the business, a $1.0 million decrease in operating lease liabilities and a $2.9 million decrease in accounts payable and accrued expenses.

Net cash provided by operating activities during the three months ended March 31, 2023 was $8.3 million, which resulted from a net loss of $10.3 million adjusted for non-cash charges of $20.4 million and net cash outflow of $1.9 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $13.7 million of stock-based compensation expense, $5.9 million for amortization of deferred contract acquisition costs, which were primarily commissions, $0.4 million of amortization of right-of-use, or ROU, operating lease assets, and $1.1 million of depreciation and intangible asset amortization expense. The net cash outflow from changes in operating assets and liabilities was primarily the result of a $26.0 million $7.8 million increase in deferred commissions due to the addition of new customers and expansion of the business, a $3.5 million $4.1 million increase in prepaid expenses and other assets, a $2.6 million $0.8 million decrease in operating lease liabilities, and a $7.7 million $1.1 million increase in accounts receivable. receivable and a $1.6 million decrease in accounts payable and accrued expenses. These outflows were primarily offset by a $23.9 million $13.6 million increase in deferred revenue.

Investing Activities

Net cash provided by operating investing activities during for the nine three months ended September 30, 2022 March 31, 2024 was $7.7 million $20.1 million, which resulted from a net loss of $38.3 million adjusted for non-cash charges of $51.5 million and net cash outflow of $5.5 million from changes in operating assets and liabilities. Non-cash charges primarily consisted of $34.0 million of stock-based compensation expense, $2.9 million of depreciation and intangible asset amortization expense, $13.3 million for amortization of deferred contract acquisition costs, which were primarily commissions, and $0.7 million of amortization of ROU operating lease assets. The net cash outflow from changes in operating assets and liabilities was primarily the result of a $19.7 million increase in deferred commissions due to $22.6 million in proceeds from the addition maturities of new customers marketable securities and expansion $0.1 million consideration received related to a purchase price adjustment from the Tagger acquisition, partially offset by the $1.5 million payout of the Repustate acquisition purchase price holdback and $1.1 million in purchases of computer equipment and hardware.

business, a $2.2 million increase in prepaid expenses and other assets, as well as a $2.3 million decrease in operating lease liabilities. These outflows were primarily offset by a $15.7 million increase in deferred revenue and a $4.8 million increase in accounts payable and accrued expenses.

Investing Activities

Net cash used in investing activities for the nine three months ended September 30, 2023 March 31, 2023 was $118.8 million $8.7 million, which was primarily due to $145.8 million paid for the acquisitions of Tagger and Repustate and $63.1 million $30.1 million in purchases of marketable securities and $6.4 million for the acquisition of Repustate, partially offset by $91.5 million $28.2 million in proceeds from the maturities and sale of marketable securities.

Net cash used in investing activities for the nine months ended September 30, 2022 was $18.8 million, which was primarily due to $135.7 million in purchases of marketable securities, partially offset by $118.4 million in proceeds from maturities of marketable securities.

Financing Activities

Net cash provided by used in financing activities for the nine three months ended September 30, 2023 March 31, 2024 was $73.8 million $11.5 million, primarily driven by $75.0 million $10.0 million in borrowings under repayments of the Facility and $1.4 million in proceeds from purchases under our employee stock purchase plan, partially offset by $1.8 million $1.5 million in payments related to employee withholding taxes as a result of the net settlement of stock-based awards and $0.8 million in issuance costs related to the Facility. awards.

Net cash used in financing activities for the nine three months ended September 30, 2022 March 31, 2023 was $0.9 million $1.1 million, primarily driven by $1.6 million $1.1 million in payments related to employee withholding taxes as a result of the net settlement of stock-based awards, partially offset by $0.7 million in proceeds from purchases under our employee stock purchase plan. awards.

Contractual Obligations

As of September 30, 2023 March 31, 2024, we have non-cancellable contractual obligations related primarily to operating leases and minimum guaranteed purchase commitments for data and services. As of September 30, 2023 March 31, 2024, the total obligation for operating leases was $22.3 million $20.4 million, of which $4.7 4.8 million is expected to be paid in the next twelve months. As of September 30, 2023 March 31, 2024, our purchase commitment for primarily data and services was $9.4 million $15.9 million, of which $5.0 million $9.0 million is expected to be paid in the next twelve months. See See Note 3 - "Operating Leases" and Note 7 - "Commitments and Contingencies" of the notes Notes to our unaudited condensed consolidated financial statements included in the Financial Statements (Part I, Item 1 of this Quarterly Report Report) for more information regarding these obligations.

Recent Accounting Pronouncements

Refer to section titled "Summary of Significant Accounting Policies" in Note 1 of the notes Notes to our unaudited condensed consolidated financial statements included in the Financial Statements (Part I, Item 1 of this Quarterly Report Report) for more information.

Critical Accounting Policies and Estimates

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

Our significant accounting policies are discussed in Note 1 - "Nature of Operations and Summary of Significant Accounting Policies" in the Notes to Consolidated Financial Statements as of and for the year ended December 31, 2022 December 31, 2023 included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, filed with the SEC on February 22, 2023 February 23, 2024. There have been no significant changes to these policies during the ninethree months ended September 30, 2023 March 31, 2024, except as noted in Note 1 - Summary of Significant Accounting Policies of the Notes to the Financial Statements (Part I, Item 1 of this Quarterly Report).

Item 3. Quantitative and Qualitative Disclosures of Market Risk

Interest Rate Risk

We had cash and cash equivalents totaling $41.1 million $69.2 million as of September 30, 2023 March 31, 2024, the majority of which was invested in money market accounts and money market funds. We also had marketable securities of $80.3 million $26.0 million which were invested in investment-grade corporate bonds, commercial paper, U.S. treasury securities and asset-backedU.S. agency securities. Such interest-earning instruments carry a degree of interest rate risk with respect to the interest income generated. Additionally, certain of these cash investments are maintained at balances beyond Federal Deposit Insurance Corporation, or FDIC, coverage limits or are not insured by the FDIC. Accordingly, there may be a risk that we will not recover the full principal of our cash investments and marketable securities. investments. To date, fluctuations in interest income have not been significant. Because these accounts are highly liquid, we do not have material exposure to market risk. Our cash is held for working capital purposes. We do not enter into investments for trading or speculative purposes.

As of September 30, 2023 March 31, 2024, we had $75 million $45 million in secured indebtedness outstanding under the Credit Agreement. The revolving line of credit bears interest at a rate of either (i) SOFR (subject to a 1.0% floor), plus 0.10%, plus a margin ranging from 2.75% to 3.25% based on the Company's liquidity or (ii) ABR (subject to a 2.0% floor) plus a margin ranging from 1.75% to 2.25% based on the Company's liquidity. Refer to Note 5 - Revolving "Revolving Line of Credit Credit" of the Notes to the Financial Statements (Part 1, I, Item 1 of this Form 10-Q) Quarterly Report).

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

Foreign Currency Exchange Risk

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

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

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

Our management, with the participation of our Chief Executive Officer, or CEO, and Chief Financial Officer, or CFO, 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, or the Exchange Act, as of September 30, 2023 March 31, 2024. Based on such evaluation, our CEO and CFO have concluded that as of September 30, 2023 March 31, 2024, our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Changes in internal controls

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

Inherent Limitations of Internal Controls

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

PART II - OTHER INFORMATION

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Item 1. Legal Proceedings

From time to time, we are involved in various legal proceedings arising from the normal course of business. We are not currently a party to any material pending legal proceedings.

Item 1A. Risk Factors

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

If we fail to attract new customers and retain and increase the spending of existing customers, our revenue, business, results of operations, financial condition and growth prospects would be harmed.

We derive, and expect to continue to derive, substantially all of our revenue and cash flows from sales of subscriptions to our platform and products. Our ability to generate increasing revenue is dependent on our capacity to attract new customers and retain and increase the spending of existing customers. Demand for our platform and products is affected by a number of factors, many of which are beyond our control, such as:

- continued market acceptance of our platform and products for existing and new use-cases;
- the timing of development and release of new products and functionality introduced by us and our competitors;
- our ability to develop functionality and integrations with third parties, including social media networks, based on customer demand;
- the usability and time to value of our products;
- the pricing of our products and the impact of any future price increases;
- the level of customer service that we provide;
- technological change;
- growth or contraction in our addressable market; and
- macroeconomic factors and their impacts on users of our platform and products.

Our current and prospective customers are impacted by worsening macroeconomic conditions to varying degrees. Such conditions include, but are not limited to, bank failures, higher borrowing costs, and inflation. We cannot predict the impact macroeconomic conditions will have on our existing or prospective customers and how that may impact their spending with us.

We announced a price increase in November 2022 and may announce additional price increases in the future. For the quarter ended September 30, 2023, as compared to the quarter ended September 30, 2022, this price increase contributed to an increase in our average revenue per customer and a decrease in our total number of customers. As a result of this and any future pricing increase, our total number of customers may continue to decrease even when the average spend per customer increases over time. We may also experience softening demand or negative sentiment from our customers and prospective customers as a result of our increased pricing, which could impact our brand and competitiveness.

If we are unable to meet customer demands and manage customer experiences through flexible solutions designed to address their needs or otherwise achieve more widespread market acceptance of our platform and products, our revenue, business, results of operations and financial condition and growth prospects will be adversely affected.

In order for us to maintain or improve our operating results, it is important that our existing customers renew their subscriptions, maintain or increase the level of their plans and add additional users, social profiles and products to their subscriptions. Our customers have no obligation to renew their subscriptions, and we cannot assure you that our customers will renew subscriptions with a similar or increased subscription term or plan level or with the same or a greater number of users, social profiles or products. Some of our customers have elected not to renew their agreements with us and we may not be able to accurately predict renewal rates. Moreover, while our contracts are generally non-cancellable during the contractual subscription term, certain customers have the right to cancel their agreements prior to the expiration of the subscription term. Our renewal rates may decline or fluctuate and our cancellation rates may increase as a result of a number of factors, including customer satisfaction with our platform and products, our customer success and support experience, the price and functionality of our solutions relative to those of our competitors, mergers and acquisitions affecting our customer base, the effects of global economic conditions, or reductions in our customers’ spending levels. This may also cause our calculation of the lifetime value of our customers to decline or fluctuate between periods as this calculation assumes the subscription renewal rate for a given year will remain consistent in future years. If our customers cancel or do not renew their subscriptions, renew on less favorable terms, fail to add more users or products or fail to purchase additional products, our revenues and growth prospects may decline.

Our platform and products are dependent on APIs built and owned by third parties, including social media networks, and if we lose access to data provided by such APIs or the terms and conditions on which we obtain such access become less favorable, our business could suffer.

Our platform and products depend on the ability to access and integrate with third-party APIs. In particular, we have developed our platform and products to integrate with certain social media network APIs and the third-party applications of other parties. Generally, APIs and the data we receive from the APIs are written and controlled by the application provider. Any changes or modifications to the APIs or the data provided could negatively impact the functionality of, or require us to make changes to, our platform and products, which would need to occur quickly to avoid interruptions in service for our customers.

To date, we have not relied on negotiated agreements to govern our relationships with most data providers and, in many cases, we rely on publicly available APIs. As a result, we are often subject to the standard terms and conditions for application developers of such providers, which govern the distribution, operation and fees of such integrations and which are subject to change by such providers from time to time. In other cases, we rely on negotiated agreements with social media networks and other data providers. These negotiated agreements may provide increased access to APIs and data that may allow us to provide a more comprehensive solution for our customers. These agreements are subject to termination and renewal according to their terms.

There can be no assurance that we will be able to renew any of our agreements with social media networks and other data providers, or that the terms of any such renewal, including pricing and levels of service, will be favorable. We cannot accurately predict the potential impact of any modification or termination of such agreements, including the

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

impact on our access to the related APIs. There can be no assurance that following any such modification or termination, we would be able to maintain our platform's current level of functionality in such circumstances, as a result of more limited access to APIs or otherwise, which could adversely affect our results of operations. For example, we are currently a member of the X (formerly known as Twitter) Official Partner Program. There can be no assurance that X will maintain this program in its current form or at all and any change to the program, our access or the terms of our membership may have a negative impact on our business. In addition, there can be no assurance that we will not be required to enter into new negotiated agreements with data providers in the future to maintain or enhance the level of functionality of our platform, or that the terms and conditions of such agreements, including pricing and levels of service, will not be less favorable, which could adversely affect our results of operations.

Our business, cash flows or results of operations may be harmed if any data provider:

- changes, limits or discontinues our access to its APIs and data;
- modifies its terms of service or other policies, including fees charged or restrictions on us or application developers;
- changes or limits how customer information is accessed by us or our customers;
- changes or limits how we can use customer information and other data collected through the APIs;
- establishes more favorable relationships with one or more of our competitors; or
- experiences disruptions of its technology, services or business generally.

We may not be able to generate sufficient cash to service our indebtedness, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and results of operations, which in turn are subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. Our ability to restructure or refinance our debt will depend on, among other things, the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations.

Further, our Credit Agreement contains, and any future credit facility or other debt instrument may contain, provisions that will restrict our ability to dispose of assets and use the proceeds from any such disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

If we cannot make the scheduled payments on our debt, we will be in default and, as a result, the lenders under our Credit Agreement could declare all outstanding principal and interest to be due and payable, the lenders under our credit facility could terminate their commitments to loan money and foreclose against the assets securing the borrowings under such credit facility, and we could be forced into bankruptcy or liquidation, which could result in an adverse impact to your investment in our company.

We have incurred a substantial amount of debt, which could adversely affect our business, including by restricting our ability to engage in additional transactions or incur additional indebtedness, and prevent us from meeting our debt obligations.

We entered into the Credit Agreement with the lenders named therein and MUFG Bank, LTD. as administrative agent and collateral agent, in August 2023, which provides for a $100.0 million senior secured credit facility.

As of September 30, 2023, we had $75 million in secured indebtedness outstanding under the Credit Agreement.This substantial level of debt could have important consequences to our business, including, but not limited to:

- reducing the benefits we expect to receive from our prior and any future acquisition transactions;
- making it more difficult for us to satisfy our obligations;
- requiring a substantial portion of our cash flows from operations to be dedicated to the payment of principal and interest on our indebtedness, therefore reducing our ability to use our cash flows to fund acquisitions, capital expenditures, R&D and future business opportunities;
- exposing us to the risk of increased interest rates to the extent of any future borrowings, including borrowings under our Credit Agreement, are at variable rates of interest;
- increasing our vulnerability to, and reducing our flexibility to respond to, changes in our business or general adverse economic and industry conditions;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions, and general corporate or other purposes and increasing the cost of any such financing;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and placing us at a competitive disadvantage as compared to our competitors, to the extent they are not as highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage may prevent us from exploiting; and
- restricting us from pursuing certain business opportunities.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

The Credit Agreement contains, and the terms of any future indebtedness may impose, various restrictive covenants, including, among other things, restrictions on the Company's ability to incur liens, incur indebtedness, make or hold investments, execute certain change of control transactions, business combinations or other fundamental changes to their business, dispose of assets, make certain types of restricted payments, including dividends and other distributions to shareholders, or enter into certain related party transactions, subject to customary exceptions. In addition, the Credit Agreement contains financial covenants as to (i) minimum liquidity requiring the maintenance, at all times and measured at the end of each fiscal quarter, of cash and cash equivalents of not less than the greater of (x) $30 million and (y) 30% of the total revolving commitments, and (ii) minimum recurring revenue growth, requiring recurring revenue growth for the trailing four fiscal quarter period, measured at the end of each fiscal quarter, of not less than 115% of the actual recurring revenue for the same period in the prior fiscal year. Pursuant to the Credit Agreement, we granted the lenders thereto a security interest in substantially all of our assets. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" for additional information.

Our ability to meet these restrictive covenants can be impacted by events beyond our control and we may be unable to do so. The Credit Agreement provides that our breach or failure to satisfy certain covenants constitutes an event of default. Upon the occurrence of an event of default, the administrative agent, at the direction of the lenders, could elect to declare all amounts outstanding under the Credit Agreement to be immediately due and payable. In addition, the administrative agent would have the right to proceed against the assets we provided as collateral pursuant to the Credit Agreement. If the debt under our Credit Agreement were to be accelerated, we may not have sufficient cash on hand or be able to sell sufficient collateral to repay such debts, which would have an immediate adverse effect on our business, liquidity, and financial condition.

We may make acquisitions of, or invest in, other businesses or technologies, which may divert our management's attention and result in the incurrence of indebtedness or dilution to our stockholders. We may be unable to integrate acquired businesses or technologies successfully or achieve the expected benefits of such acquisitions and investments.

We may evaluate and consider potential strategic transactions, including acquisitions of, or investments in, businesses, technologies, services, products and other assets in the future. We also may enter into relationships with other businesses to expand our platform and products, which could involve preferred or exclusive licenses, additional channels of distribution, discount pricing or investments in other companies.

Any investment, business relationship or acquisition, including our acquisitions of Simply Measured, Inc. in December 2017, Repustate in January 2023 and Tagger Media in July 2023 may result in unforeseen operating difficulties and expenditures or business liabilities. In particular, we may encounter difficulties integrating the businesses, technologies, products, personnel or operations of the acquired companies, particularly if key personnel of the acquired company choose not to work for us, the acquired platform, products or services are not easily adapted to work with our platform or products or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. Acquisitions may also disrupt our business, divert our resources and require significant management and research and development attention that would otherwise be available for development of our existing platform and products. Moreover, the anticipated benefits of any acquisition, investment or business relationship may not be realized, we may be exposed to unknown risks or liabilities or our ability to complete these transactions may often be subject to approvals that are beyond our control. Consequently, these transactions, even if announced, may not be completed.

In connection with such strategic transactions, we may:

- issue additional equity securities that would dilute our existing stockholders;
- use cash that we may need in the future to operate our business;
- incur large charges or substantial liabilities;
- incur indebtedness on terms unfavorable to us or that we are unable to repay;
- encounter hidden liabilities, defects, bugs, vulnerabilities, or past or future data breaches within any acquired company's code or technical environment;
- encounter difficulties retaining key employees of the acquired company or integrating diverse software codes or business cultures; and
- become subject to adverse tax consequences, substantial depreciation or deferred compensation charges.

The occurrence of any of the foregoing could adversely affect our revenue, business, results of operations and financial condition.

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

None.

Item 5. Other Information.

Securities Trading Plans of Directors and Executive Officers

During the fiscal quarter ended September 30, 2023 March 31, 2024, the following none of our directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified or terminated any "Rule 10b5-1 trading arrangements" (as defined in Item 408 of Regulation S-K of the Exchange Act), which are that was intended to satisfy the affirmative defense conditions under 10b5-1(c) under the Exchange Act: Act.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Name and Position	Action (Adoption / Termination)	Adoption / Termination Date	Type of Trading Arrangement Rule 10b5-1*	 Non-Rule 10b5-1**	Total Shares and Class of Common Stock to be Sold	Expiration Date
Justyn Howard, *Chief Executive Officer & Chairman of the Board of Directors*	Adoption	08/10/2023	X		240,000 shares of Class B Common Stock(1)	10/10/2024
Aaron Rankin, *Chief Technology Officer & Member of the Board of Directors*	Adoption	08/25/2023	X		1,010,000 shares of Class B Common Stock(1)(2)	11/5/2024
Ryan Barretto, *President*	Adoption	8/31/2023	X		97,200 shares of Class A Common Stock(1)	12/31/2024
Joe Del Preto, *Chief Financial Officer & Treasurer*	Adoption	8/16/2023	X		18,000 shares of Class A Common Stock	11/5/2024

* Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

** "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

(1) All or a portion of the sale of these shares is subject to limit orders, which may result in all or a portion of such shares remaining unsold.

(2) The weighted average of the price of the limit orders in Mr. Rankin's August 25, 2023 trading plan is $102.03. The number of shares subject to Mr. Rankin's August 25, 2023 trading plan is lower than the aggregate number of shares subject to the prior plans of Mr. Rankin and his spouse which expired in August 2023.

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

Severance Plan

On November 1, 2023, the Compensation Committee (the "Compensation Committee") of the Board of Directors (the "Board") of the Company approved and adopted the Sprout Social, Inc. Severance Plan (the "Severance Plan"), pursuant to which certain of the Company's executive officers will be eligible to receive certain severance and/or change in control benefits.

Each participant in the Severance Plan will be designated as a "Tier 1 Covered Executive," "Tier 2 Covered Executive" or "Tier 3 Covered Executive." With respect to each Tier 2 Covered Executive, pursuant to the Severance Plan, if, within the three-month period prior to, or the 12-month period following, a "change in control" (as defined in the Severance Plan), the Company terminates the employment of the applicable executive without "cause" (excluding death or "disability") or such executive resigns for "good reason" (each, as defined in the Severance Plan) and within no more than 45 days of such termination the executive executes and does not revoke a separation agreement and release of claims, such executive will be entitled to receive (i) cash severance in an amount equal to 12 months of the executive's then-current base salary and 100% of the executive's target annual bonus for the calendar year in which such termination occurs (less any portion of the annual bonus which has previously been paid for such year), payable, less applicable withholdings and deductions, in the form of continuation payments in regular installments over the 12-month period following the date of such termination, in accordance with the Company's normal payroll practices, (ii) payment of premiums to maintain group health insurance continuation benefits pursuant to COBRA for such executive and such executive's eligible dependents for up to 12 months, and (iii) vesting acceleration as to 100% of the then-unvested shares subject to each of such executive's then outstanding equity awards (and in the case of awards subject to performance-based vesting conditions, such performance-based awards shall vest assuming a target level of performance for each applicable performance objective).

With respect to each Tier 2 Covered Executive, pursuant to the Severance Plan, if, outside of the three-month period prior to, or the 12-month period following, a "change in control," the Company terminates the employment of the applicable executive without "cause" (excluding death or "disability") or such executive resigns for "good reason" and within no more than 45 days of such termination the executive executes and does not revoke a separation agreement and release of claims, such executive will be entitled to receive (i) cash severance in an amount equal to six months of the executive's then-current base salary, payable, less applicable withholdings and deductions, in the form of continuation payments in regular installments over the six-month period following the date of such termination, in accordance with the Company's normal payroll practices and (ii) payment of premiums to maintain group health insurance continuation benefits pursuant to COBRA for such executive and such executive's eligible dependents for up to six months.

Each of Ryan Barretto, the Company's President and Joe Del Preto, the Company's Chief Financial Officer and Treasurer has been designated to participate in the Severance Plan as a Tier 2 Covered Executive.

The foregoing description of the Severance Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the Severance Plan, a copy of which is filed as Exhibit 10.4 to this Quarterly Report on Form 10-Q and is incorporated by reference herein.

Item 6. Exhibits

INDEX TO EXHIBITS

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

3.1	Amended and Restated Certificate of Incorporation of the Registrant (Incorporated by reference to Exhibit 3.1 to Sprout Social's Current Report on form 8-K (File No. 001-39156) filed on December 17, 2019).
3.2	Amended and Restated Bylaws of the Registrant (Incorporated by reference to Exhibit 3.1 to Sprout Social's Current Report on form 8-K (File No. 001-39156 001-39156) filed on October 31, 2022).
10.1	Agreement and Plan of Merger, dated August 2, 2023, by and among Sprout Social, Inc., Tag Merger Sub, Inc., Tagger Media, Inc., and Shareholder Representative Services LLC (Incorporated by reference to Exhibit 10.1 to Sprout Social's Current Report on Form 8-K (File No. 001-39156) filed on August 2, 2023).
10.2	Credit Agreement, dated as of August 1, 2023, by and among Sprout Social, Inc., the banks and other financial institutions or entities party thereto as lenders and MUFG Bank, LTD. as administrative agent and collateral agent (Incorporated by reference to Exhibit 10.2 to Sprout Social's Current Report on Form 8-K (File No. 001-39156) filed on August 2, 2023).
10.3†	Form of Notice of Grant of Restricted Stock Units and Restricted Stock Unit Agreement pursuant to the Sprout Social, Inc. 2019 Incentive Award Plan, approved October 25, 2023.
10.4† 10.1†	Sprout Social, Inc. 2023 Executive Severance Plan, approved November 1, 2023.
31.1	Certifications of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certifications of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certifications of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certifications of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following information from our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in Inline XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Loss, (iv) Condensed Consolidated Statements of Stockholders' Equity, (v) Condensed Consolidated Statements of Cash Flows and (vi) Notes to Condensed Consolidated Financial Statements
104	The cover page from the Quarterly Report on Form 10-Q, formatted as Inline XBRL.

† Indicates a management contract or compensatory plan or arrangement.
* Furnished, not filed.

***

SIGNATURE

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

Sprout Social, Inc.

November May 3,
2023 2024

By: /s/ Joe Del Preto

Joe Del Preto

Chief Financial Officer and Treasurer (Principal Financial and Principal Accounting Officer)

slide1

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

SPROUT SOCIAL, INC. 2019 INCENTIVE AWARD PLAN RESTRICTED STOCK UNIT AWARD GRANT NOTICE AND RESTRICTED STOCK UNIT AGREEMENT Sprout Social, Inc., a Delaware corporation (the “Company”), pursuant to its 2019 Incentive Award Plan, as amended from time to time (the “Plan”), hereby grants to the holder listed below (“Participant”) the number of Restricted Stock Units set forth below (the “RSUs”). The RSUs are subject to the terms and conditions set forth in this Restricted Stock Unit Grant Notice (the “Grant Notice”), the Restricted Stock Unit Agreement attached hereto as Exhibit A (the “Agreement”), the special provisions for the Participant’s country of residence if such Participant resides or provides services outside the United States, if applicable, attached hereto as Exhibit B (the “Foreign Appendix”) and the Plan, each of which is incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in the Grant Notice and the Agreement. Participant: Grant Date: Vesting Start Date: Number of RSUs: Type of Shares Issuable: Class A Common Stock Vesting Schedule: Except as otherwise provided in the Agreement, the RSUs shall vest as to 25% of the total number of RSUs on the first anniversary of the Vesting Start Date and as to an additional 1/16th of the total number of RSUs on each quarterly

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

anniversary of the Vesting Start Date thereafter (and if there is no corresponding day, the last day of the quarter) such that the RSUs shall be fully vested on the fourth anniversary of the Vesting Start Date, subject to Participant's continued status as an Eligible Individual through the applicable vesting date. Withholding Tax Acknowledgement: By accepting this Award electronically through the Plan service provider's online grant acceptance policy, the Participant understands and agrees that they shall be subject to, and consents to the application of, the Company's sell to cover policy, which requires that, as a condition of the grant of the RSUs hereunder, the Participant (1) sell that number of Shares determined in accordance with Section 2.5 of the Agreement as may be necessary to satisfy all applicable withholding obligations with respect to any taxable event arising in connection with the RSUs and similarly sell such number of Shares as may be necessary to satisfy all applicable withholding obligations with respect to any other awards of restricted stock units granted to the Participant under the Plan, the Company's 2016 Stock Plan, or any other equity incentive plans of the Company or its predecessor, and (2) to allow the Agent (as defined in the Agreement) to remit the cash proceeds of such sale(s) to the Company. Furthermore, the Participant directs the Company to make a cash payment equal to the required tax and social security withholding from the cash proceeds of such sale(s) directly to the appropriate taxing authorities. The Participant has carefully reviewed Section 2.5 of the Agreement. By accepting this Award electronically through the Plan service provider's online grant acceptance policy, Participant agrees to be bound by the terms and conditions of the Plan, the Foreign Appendix, if applicable, the Agreement and the Grant Notice. Participant has reviewed the Agreement, the Foreign Appendix, if applicable, the Plan and the Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing the Grant Notice and fully understands all provisions of the Grant

---

slide2

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Notice, the Agreement, the Foreign Appendix, if applicable, and the Plan. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan, the Grant Notice or the Agreement. SPROUT SOCIAL, INC. PARTICIPANT By: By: Print Name: Joe Del Preto Print Name: Title: Chief Financial Officer

---

slide3

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

EXHIBIT A TO RESTRICTED STOCK UNIT AWARD GRANT NOTICE RESTRICTED STOCK UNIT AWARD AGREEMENT Pursuant to the Grant Notice to which this Agreement is attached, the Company has granted to Participant the number of RSUs set forth in the Grant Notice. ARTICLE I. GENERAL Section 1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice. For purposes of this Agreement, (a) “Cause” shall mean, unless such term or an equivalent term is otherwise defined by any employment agreement or offer letter between a Participant and a Participating Company, any of the following: (i) the Participant’s theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (ii) the Participant’s material failure to abide by a Participating Company’s code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iii) the Participant’s unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant’s improper use or disclosure of a Participating Company’s confidential or proprietary information); (iv) any intentional act by the Participant which has a material detrimental effect on a Participating Company’s reputation or business or which brings the Participant into widespread public disrepute; (v) the Participant’s repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vi) any material breach by the Participant of any employment or service agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (vii) the Participant’s commission or conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant’s ability to perform his or her duties with a Participating Company. For purposes of this Agreement, whether or not an event giving rise to “Cause” occurs will be determined by the Board in its sole discretion. (b) “Cessation Date” shall mean the date of Participant’s Termination of Service (regardless of the reason for such termination). [(c) “CIC Qualifying Termination” shall mean Termination of Service of Participant by the Company without Cause or by Participant for Good Reason during the twelve (12) month period immediately following a Change in Control. (d) “Good Reason” shall mean, unless such term or an equivalent term is otherwise defined by any employment agreement or offer letter between a Participant and a Participating Company, the occurrence of any of the following without the Participant’s voluntary written consent: (i) a material breach by the Company of any material provision of this Agreement; (ii) the Company’s relocation of the Company office to which the Participant primarily reports (the “Office”) to a location that increases the distance from the Participant’s principal residence to the Office by more than fifty (50) miles; (iii) a material diminution in the Participant’s authority, duties or responsibilities, provided that any changes in the Participant’s title or to the Participant’s reporting relationship shall not constitute Good Reason hereunder;

---

slide4

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

or (iv) any material reduction in the Participant's annual base compensation (other than in connection with across-the-board base compensation reductions for all or substantially all similarly situated employees); provided, in each case, that the Participant first provided notice to the applicable Participating Company of the existence of the condition described above within fifteen (15) days of the initial existence of the condition, upon the notice of which such Participating Company shall have thirty (30) days during which it may remedy the condition, and provided further that the separation of service must occur within fifteen (15) days following the end of such 30-day cure period.] (c) "Participating Company" shall mean the Company or any of its parents or Subsidiaries. Section 1.2 Incorporation of Terms of Plan. The RSUs and the shares of Class A Common Stock issued to Participant hereunder ("Shares") are subject to the terms and conditions set forth in this Agreement, the Foreign Appendix, if applicable, and the Plan, which is incorporated herein by reference. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. In the event of any inconsistency between the Plan and/or this Agreement with the Foreign Appendix, the terms of the Foreign Appendix shall control.

slide5

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

ARTICLE II. AWARD OF RESTRICTED STOCK UNITS AND DIVIDEND EQUIVALENTS Section 2.1 Award of RSUs and Dividend Equivalents (a) In consideration of Participant's past and/or continued employment with or service to a Participating Company and for other good and valuable consideration, effective as of the grant date set forth in the Grant Notice (the "Grant Date"), the Company has granted to Participant the number of RSUs set forth in the Grant Notice, upon the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, subject to adjustment as provided in Section 12.2 of the Plan. Each RSU represents the right to receive one Share at the times and subject to the conditions set forth herein. However, unless and until the RSUs have vested, Participant will have no right to the payment of any Shares subject thereto. Prior to the actual delivery of any Shares, the RSUs will represent an unsecured obligation of the Company, payable only from the general assets of the Company. (b) The Company hereby grants to Participant an Award of Dividend Equivalents with respect to each RSU granted pursuant to the Grant Notice for all ordinary cash dividends that are paid to all or substantially all holders of the outstanding Shares between the Grant Date and the date when the applicable RSU is distributed or paid to Participant or is forfeited or expires. The Dividend Equivalents for each RSU shall be equal to the amount of cash that is paid as a dividend on one Share. All such Dividend Equivalents shall be credited to Participant and be deemed to be reinvested in additional RSUs as of the date of payment of any such dividend based on the Fair Market Value of a Share on such date. Each additional RSU that results from such deemed reinvestment of Dividend Equivalents granted hereunder shall be subject to the same vesting, distribution or payment, adjustment and other provisions that apply to the underlying RSU to which such additional RSU relates. Section 2.2 Vesting of RSUs and Dividend Equivalents. (a) Subject to Participant's continued employment with or service to a Participating Company on each applicable vesting date and subject to the terms of this Agreement, including, without limitation, Section 2.2(d), the RSUs shall vest in such amounts and at such times as are set forth in the Grant Notice. Each additional RSU that results from deemed reinvestments of Dividend Equivalents pursuant to Section 2.1(b) shall vest whenever the underlying RSU to which such additional RSU relates vests. (b) In the event Participant incurs a Termination of Service, except as may be otherwise provided by the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all RSUs and Dividend Equivalents granted under this Agreement that have not vested or do not vest on or prior to the date on which such Termination of Service occurs, and Participant's rights in any such RSUs and Dividend Equivalents that are not so vested shall lapse and expire. (c) In the event Participant incurs a Termination of Service for Cause, except as may be otherwise provided by the Administrator or as set forth in a written agreement between Participant and the Company, Participant shall immediately forfeit any and all RSUs and Dividend Equivalents granted under this Agreement (whether or not vested), and Participant's rights in any such RSUs and Dividend Equivalents shall lapse and expire. [(d) Notwithstanding the Grant Notice or the provisions of Section 2.2(a) and Section 2.2(b), in the event of a CIC Qualifying Termination, the RSUs shall become vested in full on the date of such CIC Qualifying Termination.]

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide6

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Section 2.3 (a) Distribution or Payment of RSUs. Participant's RSUs shall be distributed in Shares (either in book-entry form or otherwise) as soon as administratively practicable following the vesting of the applicable RSU pursuant to Section 2.2, and, in any event if Participant is subject to taxation in the United States, no later than March 15th of the calendar year following the year in which such vesting occurred (for the avoidance of doubt, this deadline is intended to comply with the "short-term deferral" exemption from Section 409A). Notwithstanding the foregoing, the Company may delay a distribution or payment in settlement of RSUs if it reasonably determines that such payment or distribution will violate federal securities laws or any other Applicable Law, provided that such distribution or payment shall be made at the earliest date at which the Company reasonably determines that the making of such distribution or payment will not cause such violation, as required by Treasury Regulation Section 1.409A-2(b)(7)(ii) (if applicable), and provided further that, if Participant is subject to taxation in the United States, no payment or distribution shall be delayed under this Section 2.3(a) if such delay will result in a violation of Section 409A. (b) All distributions shall be made by the Company in the form of whole Shares, and any fractional share shall be distributed in cash in an amount equal to the value of such fractional share determined based on the Fair Market Value as of the date immediately preceding the date of such distribution. Section 2.4 Conditions to Issuance of Certificates. The Company shall not be required to issue or deliver any certificate or certificates for any Shares or to cause any Shares to be held in book-entry form prior to the fulfillment of all of the following conditions: (a) the admission of the Shares to listing on all stock exchanges on which such Shares are then listed, (b) the completion of any registration or other qualification of the Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or other governmental regulatory body, which the Administrator shall, in its absolute discretion, deem necessary or advisable, (c) the obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable, (d) the receipt by the Company of full payment for such Shares, which may be in one or more of the forms of consideration permitted under Section 2.5, and (e) the receipt of full payment of any applicable withholding tax in accordance with Section 2.5 by the Participating Company with respect to which the applicable withholding obligation arises. Section 2.5 Tax Withholding. Notwithstanding any other provision of this Agreement: (a) As set forth in Section 10.2 of the Plan, the Company shall have the authority and the right to deduct or withhold, or to require the Participant to remit to the Company, an amount sufficient to satisfy all applicable federal, state and local taxes and social security required by law to be withheld with respect to any taxable event arising in connection with the Restricted Stock Units. In satisfaction of such tax and social security withholding obligations, the Participant hereby agrees that they are subject to the Company's sell to cover policy, which requires that the Participant sell the portion of the Shares to be delivered under the Restricted Stock Units necessary so as to satisfy the tax and social security withholding obligations and shall execute any letter of instruction or agreement required by the Company's transfer agent (together with any other party the Company determines necessary in connection with the sell to cover policy, the "Agent") to cause the Agent to irrevocably commit to forward the proceeds necessary to satisfy the tax withholding obligations directly to the Company and/or its Affiliates. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to deliver any new certificate representing Shares to the Participant or the Participant's legal representative or enter such Shares in book entry form unless and until the Participant or the Participant's legal representative shall have paid or otherwise satisfied in full the amount of all federal, state and local taxes applicable to the taxable income of the Participant resulting from the grant or vesting of the Restricted Stock Units or the issuance of Shares. In accordance with the Company's sell to cover policy, the Participant hereby acknowledges and agrees:

slide7

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(i) The Participant hereby appoints the Agent as the Participant's agent and authorizes the Agent to (1) sell on the open market at the then prevailing market price(s), on the Participant's behalf, as soon as practicable on or after the Shares are issued upon the vesting of the Restricted Stock Units, that number (rounded up to the next whole number) of the Shares so issued necessary to generate proceeds to cover (x) any tax and social security withholding obligations incurred with respect to such vesting or issuance and (y) all applicable fees and commissions due to, or required to be collected by, the Agent with respect thereto and (2) apply any remaining funds to the Participant's federal tax and non-U.S. tax and social security (as applicable) withholding. (ii) The Participant hereby authorizes the Company and the Agent to cooperate and communicate with one another to determine the number of Shares that must be sold pursuant to subsection (i) above. (iii) The Participant understands that the Agent may effect sales as provided in subsection (i) above in one or more sales and that the average price for executions resulting from bunched orders will be assigned to the Participant's account. In addition, the Participant acknowledges that it may not be possible to sell Shares as provided by subsection (i) above due to (1) a legal or contractual restriction applicable to the Participant or the Agent, (2) a market disruption, or (3) rules governing order execution priority on the national exchange where the Shares may be traded. The Participant further agrees and acknowledges that in the event the sale of Shares would result in material adverse harm to the Company, as determined by the Company in its sole discretion, the Company may instruct the Agent not to sell Shares as provided by subsection (i) above. In the event of the Agent's inability to sell Shares, the Participant will continue to be responsible for the timely payment to the Company and/or its Affiliates of all federal, state, local and foreign taxes and social security that are required by applicable laws and regulations to be withheld, including but not limited to those amounts specified in subsection (i) above. (iv) The Participant acknowledges that regardless of any other term or condition of this Section 2.5(a), the Agent will not be liable to the Participant for (1) special, indirect, punitive, exemplary, or consequential damages, or incidental losses or damages of any kind, or (2) any failure to perform or for any delay in performance that results from a cause or circumstance that is beyond its reasonable control. (v) The Participant hereby agrees to execute and deliver to the Agent any other agreements or documents as the Agent reasonably deems necessary or appropriate to carry out the purposes and intent of this Section 2.5(a). The Agent is a third-party beneficiary of this Section 2.5(a). (vi) This Section 2.5(a) shall terminate not later than the date on which all tax and social security withholding obligations arising in connection with the vesting of the Award have been satisfied. (b) The Company shall not be obligated to deliver any certificate representing Shares issuable with respect to the RSUs to, or to cause any such Shares to be held in book-entry form by, Participant or his or her legal representative unless and until Participant or his or her legal representative shall have paid or otherwise satisfied in full the amount of all federal, state, local and foreign taxes and social security applicable with respect to the taxable income of Participant resulting from the vesting or settlement of the RSUs or any other taxable event related to the RSUs. (c) Participant is ultimately liable and responsible for all taxes and social security owed in connection with the RSUs, regardless of any action the Company or any other Participating Company takes with respect to any tax and social security withholding obligations that arise in connection with the

---

slide8

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

RSUs. No Participating Company makes any representation or undertaking regarding the treatment of any tax or social security withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of Shares. The Participating Companies do not commit and are under no obligation to structure the RSUs to reduce or eliminate Participant's tax or social security liability. Section 2.6 Rights as Stockholder. Neither Participant nor any Person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book-entry form) will have been issued and recorded on the records of the Company or its transfer agents or registrars and delivered to Participant (including through electronic delivery to a brokerage account). Except as otherwise provided herein, after such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to such Shares, including, without limitation, the right to receipt of dividends and distributions on such Shares. ARTICLE III. OTHER PROVISIONS Section 3.1 Administration. The Administrator shall have the power to interpret the Plan, the Grant Notice and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan, the Grant Notice and this Agreement as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Administrator will be final and binding upon Participant, the Company and all other interested Persons. To the extent allowable pursuant to Applicable Law, no member of the Committee or the Board will be personally liable for any action, determination or interpretation made with respect to the Plan, the Grant Notice or this Agreement. Section 3.2 RSUs Not Transferable. The RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. No RSUs or any interest or right therein or part thereof shall be liable for the debts, contracts or engagements of Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence. Notwithstanding the foregoing, with the consent of the Administrator, the RSUs may be transferred to Permitted Transferees, pursuant to any such conditions and procedures the Administrator may require. Section 3.3 Adjustments. The Administrator may accelerate the vesting of all or a portion of the RSUs in such circumstances as it, in its sole discretion, may determine. Participant acknowledges that the RSUs and the Shares subject to the RSUs are subject to adjustment, modification and termination in certain events as provided in this Agreement and the Plan, including Section 12.2 of the Plan. Section 3.4 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company at the Company's principal office, and any notice to be given to Participant shall be addressed to Participant at Participant's last address reflected on the Company's records. By a notice given pursuant to this Section 3.4, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or similar foreign entity. Section 3.5 Titles. Titles are provided herein for convenience only and are not to serve as a basis

slide9

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

for interpretation or construction of this Agreement. Section 3.6 Governing Law. The laws of the State of Delaware shall govern the interpretation, validity, administration, enforcement and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflicts of laws. Section 3.7 Conformity to Securities Laws. Participant acknowledges that the Plan, the Grant Notice, this Agreement, and the Foreign Appendix, if applicable, are intended to conform to the extent necessary with all Applicable Laws, including, without limitation, the provisions of the Securities Act and the Exchange Act, and any and all regulations and rules promulgated thereunder by the Securities and Exchange Commission, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the RSUs are granted, only in such a manner as to conform to Applicable Law. To the extent permitted by Applicable Law, the Plan, the Grant Notice, this Agreement, and the Foreign Appendix, if applicable, shall be deemed amended to the extent necessary to conform to Applicable Law. Section 3.8 Amendment, Suspension and Termination. To the extent permitted by the Plan, this Agreement may be wholly or partially amended or otherwise modified, suspended or terminated at any time or from time to time by the Administrator or the Board, provided that, except as may otherwise be provided by the Plan, no amendment, modification, suspension or termination of this Agreement shall adversely affect the RSUs in any material way without the prior written consent of Participant. Section 3.9 Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth in Section 3.2 and the Plan, this Agreement shall be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto. Section 3.10 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if Participant is subject to Section 16 of the Exchange Act, the Plan, the RSUs (including RSUs that result from the deemed reinvestment of Dividend Equivalents), the Dividend Equivalents, the Grant Notice and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b- 3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by Applicable Law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule. Section 3.11 Not a Contract of Employment. Nothing in this Agreement, the Foreign Appendix, if applicable, or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of any Participating Company or shall interfere with or restrict in any way the rights of any Participating Company, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent (i) expressly provided otherwise in a written agreement between a Participating Company and Participant or (ii) where such provisions are not consistent with applicable foreign or local laws, in which case such applicable foreign or local laws shall control.

---

slide10

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Section 3.12 Entire Agreement. The Plan, the Grant Notice and this Agreement (including any exhibit hereto) constitute the entire agreement of the parties and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof. Section 3.13 Section 409A. This provision applies if Participant is subject to taxation in the United States. This Award is not intended to constitute "nonqualified deferred compensation" within the meaning of Section 409A. However, notwithstanding any other provision of the Plan, the Grant Notice or this Agreement, if at any time the Administrator determines that this Award (or any portion thereof) may be subject to Section 409A, the Administrator shall have the right in its sole discretion (without any obligation to do so or to indemnify Participant or any other Person for failure to do so) to adopt such amendments to the Plan, the Grant Notice or this Agreement, or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, as the Administrator determines are necessary or appropriate for this Award either to be exempt from the application of Section 409A or to comply with the requirements of Section 409A. Section 3.14 Agreement Severable. In the event that any provision of the Grant Notice or this Agreement is held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of the Grant Notice or this Agreement. Section 3.15 Limitation on Participant's Rights. Participation in the Plan confers no rights or interests other than as herein provided. This Agreement creates only a contractual obligation on the part of the Company as to amounts payable and shall not be construed as creating a trust. Neither the Plan nor any underlying program, in and of itself, has any assets. Participant shall have only the rights of a general unsecured creditor of the Company with respect to amounts credited and benefits payable, if any, with respect to the RSUs and Dividend Equivalents. Section 3.16 Counterparts. The Grant Notice may be executed in one or more counterparts, including by way of any electronic signature, subject to Applicable Law, each of which shall be deemed an original and all of which together shall constitute one instrument. Section 3.17 Special Provisions for Restricted Stock Units Granted to Participants Outside the United States. If the Participant performs services for the Company outside of the United States, this Agreement shall be subject to the special provisions, if any, for the Participant's country of residence, as set forth in the Foreign Appendix. (a) If the Participant relocates to one of the countries included in the Foreign Appendix during the life of this Agreement, the special provisions for such country shall apply to the Participant, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with applicable foreign and local law or facilitate the administration of the Plan. (b) The Company reserves the right to impose other requirements on this Agreement, the RSUs and the Shares issued upon settlement of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with applicable foreign or local laws or facilitate the administration of the Plan, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. * * * * *

---

slide11

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

EXHIBIT B TO RESTRICTED STOCK UNIT AWARD AGREEMENT SPECIAL PROVISIONS FOR RESTRICTED STOCK UNITS GRANTED TO PARTICIPANTS OUTSIDE THE U.S. This Exhibit B includes additional terms applicable to Participants who reside or provide services to a Participating Company in the countries identified below. These terms and conditions are in addition to those set forth in the Agreement to which this Exhibit B is attached and the Plan and to the extent there are any inconsistencies between these terms and conditions and those set forth in the Agreement, these terms and conditions shall prevail. Any capitalized term used in this Exhibit B without definition shall have the meaning ascribed to such term in the Plan or the Agreement, as applicable. This Foreign Appendix also includes information relating to exchange control and other issues of which the Participant should be aware with respect to his or her participation in the Plan. The information is based on the Company's understanding of the exchange control, securities and other laws in effect in the respective countries. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Participant does not rely on the information herein as the only source of information relating to the consequences of participation in the Plan because the information may be out of date at the time the RSUs are settled or Shares acquired under the Plan are sold. In addition, the information is general in nature and may not apply to the particular situation of the Participant, and the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is advised to seek appropriate professional advice as to how the relevant laws in his or her country may apply to his or her situation. Finally, if the Participant is a citizen or resident of a country other than the one in which they are currently working, the information contained herein may not be applicable to the Participant. GENERALLY APPLICABLE TERMS These terms shall apply to the extent their subject matter is not otherwise addressed in the country specific terms below. 1. AWARD NOT A SERVICE CONTRACT. By accepting the Award, the Participant acknowledges, understands and agrees that: 1.1 the Award is not an employment or service contract, and, if the Participant is an Employee of the Company or a Participating Company, nothing in the Award will be deemed to create in any way whatsoever any obligation on the Participant's part to continue as an Employee of the Company or a Participating Company, or of the Company or a Participating Company to continue the Participant's employment. In addition, nothing in the Award will obligate the Company or a Participating Company, or their respective stockholders, boards of directors, officers or employees to continue any relationship that the Participant might have as a Director or Consultant for the Company or a Participating Company; 1.2 the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

slide12

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

1.3 the grant of the Award is voluntary and occasional and does not create any contractual or other right to receive future grants of Awards (whether on the same or different terms), or benefits in lieu of awards, even if Awards have been granted in the past; 1.4 the Award and any Shares acquired under the Plan on settlement of the Award, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, vacation, redundancy, dismissal, end- of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; 1.5 the future value of the Shares underlying the Award is unknown, indeterminable, and cannot be predicted with certainty; 1.6 neither the Company nor any Participating Company shall be liable for any foreign exchange rate fluctuation between the Participant's local currency and the United States Dollar that may affect the value of the Award or of any amounts due to the Participant pursuant to the settlement of the Award or the subsequent sale of any Shares received; 1.7 notwithstanding anything to the contrary in the Plan, for the purposes of the Award, the Termination of Service will be considered to have occurred as of the date the Participant is no longer actively providing services to a Participating Company (regardless of the reason for such termination and whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or is otherwise providing services, or the terms of the Participant's employment or service agreement, if any), provided that, unless otherwise expressly provided in this Agreement or determined by the Company, the vesting of the Award will not continue during any notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where the Participant is employed or where the Participant is otherwise providing services, or the terms of the Participant's employment or service agreement, if any (regardless, in each case, of whether or not the Participant is providing services to a Participating Company during such notice period, garden leave period, or similar period); and the Board shall have the exclusive discretion to determine when the Participant is no longer actively providing services for purposes of the Award (including whether the Participant may still be considered to be providing services while on a leave of absence); and 1.8 no claim or entitlement to compensation or damages shall arise from forfeiture of this Award resulting from Participant's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Participant is employed or is otherwise providing services, or the terms of the Participant's employment or service agreement, if any), and in consideration of the grant of this Award to which the Participant is otherwise not entitled, the Participant irrevocably agrees never to institute any claim against any Participating Company, waives the Participant's ability, if any, to bring any such claim, and releases the Company and any other Participating Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim. 2. NO ADVICE REGARDING GRANT. The Company is not providing any tax, legal or financial advice, nor is

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

the Company making any recommendations regarding the Participant's participation in the Plan, or the Participant's acquisition or sale of the underlying Shares. The Participant should consult with the Participant's own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action. 3. DATA PRIVACY.

slide13

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

3.1 If the Participant is located in a country other than the European Union, Switzerland and the United Kingdom, the Participant unambiguously acknowledges and provides its explicit consent to the collection, use and transfer, in electronic or other form, of the Participant's personal information as described in this document by and among, as applicable, the Participant's employer, the Company and the other Participating Companies for the exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Participant understands that the Company, the other Participating Companies and the Participant's employer hold certain personal information about the Participant, including, but not limited to, name, home address and telephone number, date of birth, social security number (or other identification number), salary, nationality, job title, any Shares or directorships held in the Company, details of all awards or any other entitlement to Shares awarded, canceled, purchased, settled, exercised, vested, unvested or outstanding in the Participant's favor for the purpose of implementing, managing and administering the Plan ("Data"). The Participant understands that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in the Participant's country or elsewhere (in particular in the US), and that the recipient country may have different data privacy laws which provide less protections of the Participant's personal information than the Participant's country. The Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the stock plan administrator at the Company (the "Stock Plan Administrator"). The Participant acknowledges that the recipients may receive, possess, process, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom the Participant may elect to deposit any Shares acquired upon settlement of the Award. The Participant understands that Data will be held only for as long as such data is necessary to carry out the foregoing purpose. The Participant may, at any time, view the Data, request additional information about the storage and processing of the Data, submit requested amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Stock Plan Administrator in writing. 3.2 For the purposes of operating the Plan for Participants located in the European Union, Switzerland or the United Kingdom, the Company will collect and process information relating to the Participant in accordance with the privacy notice provided to Participants from time to time in force. 4. LANGUAGE. The Participant acknowledges that the Participant is sufficiently proficient in the English language, or has consulted with an advisor who is sufficiently proficient in English, so as to allow the Participant to understand the terms and conditions of this Agreement. If the Participant has received this Agreement, or any other document related to the Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control. 5. FOREIGN ASSET/ACCOUNT, EXCHANGE CONTROL AND TAX REPORTING. The Participant may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of Shares or cash (including dividends and the proceeds arising from the sale of Shares) derived from the Participant's participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside the Participant's country of residence. The applicable laws in the Participant's country of residence may require that the Participant reports such accounts, assets and balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. The Participant may also be required to repatriate sale proceeds or other funds received as a result of the Participant's participation in the Plan to the Participant's country of residence through a designated bank or broker within a certain time after receipt. The Participant acknowledges that it is the Participant's responsibility to be compliant with such regulations and the Participant is encouraged to consult with the Participant's personal legal advisor for any details.

slide14

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

6. TRANSFERABILITY. Notwithstanding any provision of the Plan or the Agreement, the Award and the RSUs are not transferable other than to the Participant’s personal representative on his or her death.

slide15

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

COUNTRY SPECIFIC TERMS ARTICLE I. AUSTRALIA The following provision shall be added as Section 1.3 of the Agreement: A copy of the Plan is attached to the Grant Notice. The following provision shall be added as Section 2.1(c) of the Agreement: (c) No acquisition price is payable by the Participant for the Company to grant the Participant the number of RSUs set forth in the Grant Notice. The following provision shall be added to Section 2.5 of the Agreement: (d) The parties acknowledge that Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the RSUs (subject to the requirements of that Act). The Participant acknowledges and confirms that the Participant is required to declare and pay any income tax in relation to RSUs as required under Australian tax law and the Participant will do so on a timely basis. The following provision shall be added as Section 2.7 of the Agreement: Section 2.7 Acknowledgment of Nature of Plan and RSUs. In accepting this Agreement, the Participant acknowledges that: (a) for labor law purposes, RSUs and Shares issued upon vesting thereof are an extraordinary item that do not constitute wages of any kind for services of any kind rendered to the Company or to the Participant's employer, and the grant of RSUs is outside the scope of the Participant's employment contract, if any; (b) for labor law purposes, the grant of RSUs and the Shares issued upon vesting thereof are not part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, or any Participating Company; (c) RSUs and the Shares issued upon vesting thereof are not intended to replace any pension rights or compensation; (d) neither the grant of RSUs nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon the Participant any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Participating Company; (e) in consideration of the grant of RSUs hereunder, no claim or entitlement to compensation or damages arises from termination of RSUs, and no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment by the Company or any Participating Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and the Participant's

---

slide16

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and (f) in the event of termination of the Participant's employment (whether or not in breach of local labor laws), the Participant's rights to vest in the RSUs under the Plan, if any, will terminate effective as of the date that the Participant is no longer actively employed and will not be extended by any notice period mandated under applicable local laws (e.g., active employment would not include a period of "garden leave" or similar period pursuant to applicable local laws); the Administrator shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of Participant's RSUs; and (g) the Administrator has reserved the right to terminate the Plan. The following provisions shall be added as Sections 3.18 – 3.21 of the Agreement: Section 3.18 Securities Law Information. The offer of RSUs under the Plan is being made under Division 1A (Employee Share Schemes) of Part 7.12 of the Corporations Act 2001 (Cth). If the Participant acquires Shares pursuant to the RSUs and the Participant offers the Shares for sale to a person or entity resident in Australia, the offer may be subject to disclosure requirements under Australian law. The Participant should obtain legal advice on disclosure obligations prior to making any such offer. Section 3.19 Exchange Control Information. Exchange control reporting is required for cash transactions exceeding A$10,000 and international fund transfers coming into or going out of Australia. The Australian bank assisting with the transaction will file the report. If there is no Australian bank involved in the transfer, the Participant will be required to file the report. Section 3.20 Acknowledgement. A copy of the Plan that governs the RSUs is available from the Company at any time upon request by the Participant. The Plan, the Agreement, the Grant Notice, and the Foreign Appendix do not constitute financial advice. Any advice given by the Company or any of its associated bodies corporate, in relation to the RSUs, the Agreement, the Grant Notice, the Plan and the Foreign Appendix does not constitute financial advice and does not take into account the Participant's objectives, financial situation and needs. In considering the RSUs and the Shares that the Participant will hold on vesting of the RSUs, the Participant should consider the risk factors that could affect the performance of the Company. The Participant should be aware that there are risks associated with any stock market investment. It is important to recognize that stock prices and dividends might fall or rise. Factors affecting the market price include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, the announcement of new technologies and variations in general market conditions and/or market conditions that are specific to a particular industry. In addition, share prices of many companies are affected by factors that might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of the Shares in the Company. Further, there is no guarantee that the Company's Shares will trade at a particular volume or that there will be an ongoing liquid market for the Shares, accordingly there is a risk that, should the market for the Shares become illiquid, the Participant will be unable to realize their investment. The Company recommends

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide17

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

outlined in the Agreement. The Participant will not be required to pay any amount for the Class A common stock that will be issued to the Participant upon vesting. The Participant can ascertain the market price of a share of Class A common stock in the Company in USD from time to time by visiting the NASDAQ website and completing a price search. To determine the par value or the market value of a share of Class A common stock in Australian Dollars ("AUD"), the Participant will need to apply the prevailing USD: AUD exchange rate. For example, if the exchange rate is 1 USD: 1.5 AUD, and one share of Class A common stock has a value of USD $1 on NASDAQ its equivalent value will be AUD $1.50. The Participant should contact their bank for the prevailing USD: AUD exchange rate or for an approximate exchange rate published by the Reserve Bank of Australia the Participant can follow this link: http://www.rba.gov.au/statistics/frequency/exchange- rates.html. ARTICLE II. IRELAND The last sentence shall be deleted from Section 3.2. No transfers to Permitted Transferees shall be allowed. The following provision shall replace Section 3.11 of the Agreement: Section 3.11 (a) Not a Contract of Employment. Nothing in this Agreement, the Foreign Appendix, if applicable, or in the Plan shall confer upon Participant any right to continue to serve as an employee or other service provider of any Participating Company or shall interfere with or restrict in any way the rights that any Participating Company may have, which rights are hereby expressly reserved, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without cause, except to the extent expressly provided otherwise in a written agreement between a Participating Company and Participant and subject to Applicable Law. (b) No Entitlement to Compensation for Loss. The Participant will have no rights, claim or entitlement to compensation or damages as a result of any termination of employment for any reason whatsoever, whether or not in breach of contract or applicable law, insofar as these rights, claim or entitlement arise or may arise from the Participant ceasing to have rights under or being entitled to all or part of the RSUs Award as a result of such termination or loss or diminution in value of the RSUs or any of the Shares acquired at vesting as a result of such termination. The following provision shall be added as Section 3.18 of the Agreement: Section 3.18 Director Reporting Obligation. If the Participant is a director, shadow director or secretary of a parent or subsidiary in Ireland, and the Participant's interests in the Shares exceeds 1% of the share capital of the Company, the Participant must notify the Irish parent or subsidiary in which they hold office in writing within five business days of receiving or disposing of an interest in the Company (being the grant of RSUs or the vesting of an award of Shares), or within five business days of becoming aware of the event giving rise to the notification requirement or within five days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of the Participant's spouse or children under the age of 18 (whose interests will be attributed to the Participant if the Participant is a director, shadow director or secretary). Section 10.9 of the Plan shall not apply in Ireland and instead the following provision shall apply: Data Privacy. A privacy notice is available from the employer in relation to data in connection with the operation of the Plan.

slide18

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

ARTICLE III. PHILIPPINES The following provision shall replace Section 1.1(a) of the Agreement: (a) “Just Cause” shall mean, unless such term or an equivalent term is otherwise defined by any employment agreement or offer letter between a Participant and a Participating Company, any of the following: (i) the just causes for termination provided for under the labor laws of the Philippines, including its implementing rules; (ii) the Participant’s theft, dishonesty, willful misconduct, breach of fiduciary duty for personal profit, or falsification of any Participating Company documents or records; (iii) the Participant’s material failure to abide by a Participating Company’s code of conduct or other policies (including, without limitation, policies relating to confidentiality and reasonable workplace conduct); (iv) the Participant’s unauthorized use, misappropriation, destruction or diversion of any tangible or intangible asset or corporate opportunity of a Participating Company (including, without limitation, the Participant’s improper use or disclosure of a Participating Company’s confidential or proprietary information); (v) any intentional act by the Participant which has a material detrimental effect on a Participating Company’s reputation or business or which brings the Participant into widespread public disrepute; (vi) the Participant’s repeated failure or inability to perform any reasonable assigned duties after written notice from a Participating Company of, and a reasonable opportunity to cure, such failure or inability; (vii) any material breach by the Participant of any employment or service agreement between the Participant and a Participating Company, which breach is not cured pursuant to the terms of such agreement; or (viii) the Participant’s commission or conviction (including any plea of guilty or nolo contendere) of any criminal act involving fraud, dishonesty, misappropriation or moral turpitude, or which impairs the Participant’s ability to perform his or her duties with a Participating Company. For purposes of this Agreement, whether or not an event giving rise to “Just Cause” occurs will be determined by the Board in its sole discretion. All references to “Cause” shall be replaced with references to “Just Cause”. The following provision shall replace Section 2.5(a) of the Agreement: Section 2.5 Tax Withholding. (a) The Company or any other Participating Company, as applicable, have the authority to deduct or withhold, or require Participant to remit to the applicable Participating Company, an amount sufficient to satisfy any applicable federal, state, local and foreign taxes (including the employee portion of any FICA obligation) required by Applicable Law to be withheld with respect to any taxable event arising pursuant to this Agreement. A Participating Company may withhold by the deduction of such amount from other compensation payable to Participant. Subject to any tax withholding obligation: (i) Participant is ultimately liable and responsible for all taxes owed in connection with the RSUs, regardless of any action the Company or any other Participating Company takes with respect to any tax withholding obligations that arise in connection with the RSUs.; (ii) No Participating Company makes any representation or undertaking regarding the treatment of any tax withholding in connection with the awarding, vesting or payment of the RSUs or the subsequent sale of the Shares; and (iii) the Participating Companies do not commit and are under no obligation to structure the RSUs to reduce or eliminate the Participant’s tax liability. The following provision shall be added as Section 2.8 of the Agreement: Section 2.8 Acknowledgment of Nature of Plan and RSUs. In accepting this Agreement, the Participant acknowledges that:

---

slide19

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(a) for labor law purposes, RSUs and Shares issued upon vesting thereof are an extraordinary item that do not constitute wages of any kind for services of any kind rendered to the Company or to the Participant's employer, and the grant of RSUs is outside the scope of the Participant's employment contract, if any; (b) for labor law purposes, the grant of RSUs and the Shares issued upon vesting thereof are not part of normal or expected wages or salary for any purposes, including, but not limited to, calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Participating Company; (c) RSUs and the Shares issued upon vesting thereof are not intended to replace any pension rights or compensation; (d) neither the grant of RSUs nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon the Participant any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Participating Company; (e) in consideration of the grant of RSUs hereunder, no claim or entitlement to compensation or damages arises from termination of RSUs, and no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment by the Company or any Participating Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and the Participant's employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and (f) in the event of termination of the Participant's employment (whether or not in breach of local labor laws), the Participant's rights to vest in the RSUs under the Plan, if any, will terminate effective as of the date that the Participant is no longer actively employed and will not be extended by any notice period mandated under applicable local laws (e.g., active employment would not include a period of "garden leave" or similar period pursuant to applicable local laws); the Administrator shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of Participant's RSUs; and (g) the Administrator has reserved the right to terminate the Plan. The following provision shall be added as Section 3.18 of the Agreement: Section 3.18 Securities Law Notification. This offering is subject to an exemption from the requirements of securities registration with the Philippines Securities and Exchange Commission under Section 10.2 of the Philippine Securities Regulation Code. THE SHARES SUBJECT TO THE RSUs BEING OFFERED OR SOLD HAVE NOT BEEN REGISTERED WITH THE PHILIPPINES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FURTHER OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS IN THE PHILIPPINES UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION. For further information on risk factors impacting the Company's business that may affect the value of the Shares, the Participant may refer to the risk factors discussion in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, which are filed with the U.S. Securities

slide20

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

and Exchange Commission and are available online at www.sec.gov, as well as on the Company's website at sproutsocial.com. In addition, Participant may receive, free of charge, a copy of the Company's Annual Report, Quarterly Reports or any other reports, proxy statements or communications distributed to the Company's stockholders by contacting the Company's Corporate Secretary at Sprout Social, Inc., Attn: Corporate Secretary, 131 S. Dearborn St. Suite 700, Chicago, IL 60603. The Participant may sell or dispose of Shares acquired under the Plan, if any, through Morgan Stanley Smith Barney LLC (or any other broker designated by the Company or to which the Shares have been transferred by Participant), provided that such sale takes place outside of the Philippines through the facilities of the stock exchange on which the Shares are listed (i.e., the Nasdaq Global Select Market). The following provision shall be added as Section 3.19 of the Agreement: Section 3.19 Data Protection. The Participant acknowledges and agrees that the Company and any Participating Company are permitted to hold and process personal (and sensitive personal) information and data about the Participant, held, used or disclosed in any medium, as part of their personnel and other business records, and may use such information in the course of its business. Further, the Company and any Participating Company may disclose such information to third parties, including where they are situated outside Philippines, in the event that such disclosure is in their view required for the proper conduct of their business. The Participant gives his/her full consent and authority for the collection, processing, retention and/or sharing of his/her personal and sensitive personal information and further accept that they be transferred and/or processed outside the Philippines. The Participant waives all rights to privacy of information or confidentiality that may exist by law, implementing regulations or by contract. The following provision shall be added as Section 3.20 of the Agreement: Section 3.20 Access to Information. Employees in the Philippines who are granted RSUs and issued Shares pursuant to the Plan certify that: (i) they have been furnished with all relevant information and materials on the issuer's operations and financial condition; (ii) they have read and understood all such information and materials; and (iii) such information and materials were sufficient and have enabled them to make an informed decision to accept the RSUs offered. The following provision shall be added as Section 3.21 of the Agreement: Section 3.21 Labor Law Disclaimer. Please note that the offering is provided to the Participant by Sprout Social, Inc. and not by the Participant's local employer. The decision to include a beneficiary in this or any future offering is taken by Sprout Social, Inc. in its sole discretion. The offering does not form part of the Participant's employment agreement and does not amend or supplement such agreement. Participation in the offering does not entitle the Participant to future benefits or payments of a similar nature or value, and does not entitle the Participant to any compensation in the event that the Participant loses their rights under the Offering as a result of the termination of the Participant's employment. Benefits or payments that the Participant may receive or be eligible for under the offering will not be taken into consideration in determining the amount of any future benefits, payments or other entitlements that may be due to the Participant (including in cases of termination of employment). ARTICLE IV. SINGAPORE The following provisions shall be added as Section 3.18 through 3.22 of the Agreement: Section 3.18 Acknowledgment of Nature of Plan and RSUs. In accepting this Agreement, the Participant acknowledges that:

---

slide21

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

(a) for labor law purposes, RSUs and Shares issued upon vesting thereof are an extraordinary item that do not constitute wages of any kind for services of any kind rendered to the Company or to the Participant's employer, and the grant of RSUs is outside the scope of the Participant's employment contract, if any; calculation of any severance, resignation, termination, redundancy, dismissal, end of service payments, bonuses, holiday pay, long-service awards, pension or retirement benefits or similar payments and in no event should be considered as compensation for, or relating in any way to, past services for the Company, the employer, its parent, or any Participating Company; (b) RSUs and the Shares issued upon vesting thereof are not intended to replace any pension rights or compensation; (c) neither the grant of RSUs nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon the Participant any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Participating Company; (d) in consideration of the grant of RSUs hereunder, no claim or entitlement to compensation or damages arises from termination of RSUs, and no claim or entitlement to compensation or damages shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment by the Company or Participating Company (for any reason whatsoever and whether or not in breach of local labor laws) and the Participant irrevocably releases the Company and the Participant's employer from any such claim that may arise; if, notwithstanding the foregoing, any such claim is found by a court of competent jurisdiction to have arisen, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim; and (e) in the event of termination of the Participant's employment (whether or not in breach of local labor laws), the Participant's rights to vest in the RSUs under the Plan, if any, will terminate effective as of the date that the Participant is no longer actively employed and will not be extended by any notice period mandated under applicable local laws (e.g., active employment would not include a period of "garden leave" or similar period pursuant to applicable local laws); the Administrator shall have the exclusive discretion to determine when the Participant is no longer actively employed for purposes of Participant's RSUs; and (f) the Administrator has reserved the right to terminate the Plan. Section 3.19 Director or CEO Notification Obligation. If Participant is a director (including an associate director or shadow director) or chief executive officer of a Singapore Participating Company, Participant is subject to certain notification requirements under the Companies Act (Cap. 50 of Singapore). Among these requirements is an obligation to notify the relevant Singapore Participating Company in writing when Participant receives or acquires an interest (such as shares, debentures, participatory interests, rights, options and contracts) in the Company or a Participating Company (e.g., the RSUs, the Shares or any other Award). In addition, Participant must notify the relevant Singapore Participating Company when Participant sells or otherwise disposes of Shares or shares of any Participating Company or such other abovementioned interest in any Participating Company (including when Participant sells or otherwise disposes of Shares issued upon vesting and settlement of the RSUs or any other Award). These notifications must be made within two business days of acquiring or disposing of any interest in the Company or any Participating Company. In addition, a notification of Participant's interests in the

---

slide22

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

Company or any Participating Company must be made within two business days of Participant becoming a director or chief executive officer (as applicable). (a) A “director” includes any person occupying the position of a director of a corporation by whatever name called and includes a person in accordance with whose directions or instructions the directors or the majority of the directors of a corporation are accustomed to act and an alternate or substitute director. (b) A “chief executive officer”, in relation to a company, means any one or more persons, by whatever name described, who: (i) is in direct employment of, or acting for or by arrangement with, the company; and (ii) is principally responsible for the management and conduct of the business of the company, or part of the business of the company, as the case may be. (c) A “business day” means any day other than a Saturday, Sunday or public holiday in Singapore. Section 3.20 Securities Law Information. The award of the RSUs or any other Award and the issuance and delivery of the Shares pursuant to the Plan is being made in reliance of section 273(1)(i) of the Securities and Futures Act (Cap. 289 of Singapore) (“SFA”) for which it is exempt from the prospectus registration requirements under the SFA. Section 3.21 Insider Trading. The Participant should be aware of the Singapore insider trading regulations, which may impact the Participant’s acquisition or disposal of Shares or rights to Shares under the Plan. Under Division 3 of Part XII of the SFA, a Participant is prohibited from subscribing for, acquiring or selling Shares or rights to Shares (e.g. RSUs or other Awards) when (a) the Participant possess information that is not generally available but, if the information were generally available, a reasonable person would expect it to have a material effect on the price or value of the Shares, and (b) the Participant knows or ought reasonably to know that the information is not generally available and, if it were generally available, it might have a material effect on the price or value of those Shares. Section 3.22 Data Protection. The Participant acknowledges and agrees that the Company and any Participating Company are permitted to collect, hold and process personal (and sensitive) information and data about the Participant (“Data”), held, used or disclosed in any medium, as part of their personnel and other business records, and may use such Data in the course of its business. Further, the Company and any Participating Company may disclose such Data to third parties, whether they are situated within or outside Singapore, in the event that such disclosure is in their view required for the proper conduct of their business. The Participant hereby consents to the collection, use and disclosure of his Data as described in this Section 3.22. The Participant also hereby consents to the disclosure of his Data to the Company, any Participating Company and/or any third parties (whether situated within or outside Singapore), and to the collection, use and further disclosure by such parties, as described in this Section 3.22.

---

slide23

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

ARTICLE V. CANADA The following provision shall be added as Section 2.2(d) of the Agreement: Section 2.2(d) Notwithstanding anything stated in the Grant Notice, Agreement, and Plan, the RSUs awarded to Participants residing in Canada, or providing services to a Participating Company in Canada, shall only vest and settle as Shares. The following provision shall be added as Section 2.7 of the Agreement: Section 2.7 Acknowledgment of Nature of Plan and RSUs. In accepting this Agreement, the Participant acknowledges that, except as specifically required in order to comply with the minimum statutory requirements of applicable employment standards legislation: (a) for employment law purposes, RSUs and Shares issued upon vesting thereof are an extraordinary item that do not constitute wages of any kind for services of any kind rendered to the Company or to the Participant’s employer, and the grant of RSUs is outside the scope of the Participant’s employment contract, if any; (b) neither the grant of RSUs nor any provision of this Agreement, the Plan or the policies adopted pursuant to the Plan confer upon the Participant any right with respect to employment or continuation of current employment and shall not be interpreted to form an employment contract or relationship with the Company or any Participating Company; the Participant shall be deemed irrevocably to have waived the Participant’s entitlement to pursue such claim at common law; and (c) in the event of termination of the Participant’s employment the Participant’s rights to vest in the RSUs under the Plan, if any, will terminate effective as of the date that the Participant is no longer actively employed and shall not include any period of reasonable notice at common law; and (d) the Administrator has reserved the right to terminate the Plan. The following provision shall be added as Section 3.7(a) of the Agreement: Section 3.7(a) Participants residing in Canada, or providing services to a Participating Company in Canada, acknowledge that grants of RSUs are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Shares to be distributed thereunder under any applicable securities laws and that any Shares issued under the Plan or an award may contain required restrictive legends. In sections 2.5(a), 2.5(a)(iii), 2.5(a)(iv), and 2.5(b) where “federal, state, local and foreign” is referenced, such statements shall be amended to include “provincial”. For the purposes of Section 2.5: a) “Applicable Law” shall include without limitation, all applicable securities, corporate, tax and other laws, rules, regulations, instruments, notices, blanket orders, decision documents, statements, circulars, procedures and policies. b) “withholding taxes” shall include any and all taxes and other source deductions, including but not

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide24

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

limited to contributions under the Canada Pension Plan, Quebec Pension Plan and premiums under the Employment Insurance Act, as applicable, or other amounts which the Participating Company is required by Applicable Law to withhold from any amounts paid or credited to a Participant under the Plan. ARTICE VI. POLAND The following provision shall replace Section 2.5 of the Agreement: Section 2.5. Taxes. In accepting this Agreement, the Participant acknowledges that: (a) the right to receive the RSUs granted under the Plan shall not constitute remuneration for any employment activity or other service provided by the Participant, nor shall any right to acquire RSUs be part of normal expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, redundancy, and of service payments, bonuses, long service awards, pension or retirement benefits or similar payments. (b) The grant of RSUs and Shares issued upon vesting thereof are not part of standard or expected wages or salary for any purposes, including tax withholding, reporting and social security contributions which apply to the wages or salary. (c) Each Participant is ultimately liable and responsible for all public liabilities (including tax and social security contributions and health insurance contributions), required due to the conclusion of this Agreement and shall indemnify the Company and hold the Company harmless against and from any and all liability for any such tax and social security contributions and health insurance contributions or interest or penalty thereon, including without limitation, liabilities relating to the necessity to withhold, or to have withheld, any such tax from any payment made to the Participant. The following provision shall replace Section 3.11 of the Agreement: Section 3.11 Labor Law Disclaimer. Neither this Agreement, its applicable Appendices or the Plan shall confer upon such Participant any right to continue to serve as an employee or the service provider of any Participating Company or shall interfere with or restrict any way the rights that any Participating Company may have, to discharge or terminate the services of Participant at any time for any reason whatsoever, with or without the cause, except to the extent expressly provided otherwise in a written agreement between a Participating Company and the Participant and subject to Applicable Law. Neither this Agreement, its applicable Appendices or the Plan shall confer upon such Participant any right to continue any relationship that the Participant may have as a Director or Consultant for the Company or a Participating Company. The Participant hereby waives any potential claims or entitlement to compensation or damages that shall arise from forfeiture of the RSUs resulting from termination of the Participant's employment or termination of services agreement concluded with the Company or Participating Company. The following provision shall be added as Section 3.18 of the Agreement: Section 3.18. Data Protection. All personal data contained in the Agreement shall be processed in accordance with the terms set out by applicable regulations pertaining to the processing of personal data, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, repealing Directive 95/46/EC (General Data Protection Regulation). Such data shall be processed

slide25

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

by the Company in connection with the implementation of the Agreement The Participant may, on its written request: (a) gain access to its personal data, (b) request rectification of inaccurate personal data by indicating the data requiring rectification, (c) to request erasure of your persona data, (d) to lodge a complaint against the processing of his personal data with the national supervising body for data protection with regard to the use of these data by the Company.

44

slide1

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

November __, 2023) November 1, 2023)

---

slide2

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide3

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide4

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide5

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide6

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide7

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide8

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide9

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide10

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide11

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide12

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

slide13

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

CERTIFICATION

I, Justyn Howard, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sprout Social, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SPROUT SOCIAL, INC.

By:	/s/ Justyn Howard
Name:	Justyn Howard
Title:	Chairman of the Board of Directors and Chief Executive Officer

Date: November 3, 2023 May 3, 2024

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

CERTIFICATION

I, Joe Del Preto, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Sprout Social, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

SPROUT SOCIAL, INC.

By:	/s/ Joe Del Preto
Name:	Joe Del Preto
Title:	Chief Financial Officer and Treasurer

Date: November 3, 2023 May 3, 2024

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

In connection with the Quarterly Report of Sprout Social, Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Justyn Howard, Chairman of the Board of Directors and Chief Executive Officer, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

SPROUT SOCIAL, INC.

By:	/s/ Justyn Howard
Name:	Justyn Howard
Title:	Chairman of the Board of Directors and Chief Executive Officer

Date: November 3, 2023 May 3, 2024

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

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

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

In connection with the Quarterly Report of Sprout Social, Inc. (the “Company”) on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Joe Del Preto, Chief Financial Officer and Treasurer, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge, the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

SPROUT SOCIAL, INC.

By:	/s/ Joe Del Preto
Name:	Joe Del Preto
Title:	Chief Financial Officer and Treasurer

Date: November 3, 2023 May 3, 2024

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

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.

©2024 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.