



Sprout Social Announces Second Quarter 2025 Financial Results

CHICAGO, August 6, 2025 – Sprout Social, Inc. (“Sprout Social”, the “Company”) (Nasdaq: SPT), an industry-leading provider of cloud-based social media management software, today announced financial results for its second quarter ended June 30, 2025.

“Our team delivered strong results in the second quarter, highlighted by 12% revenue growth and solid profitability,” said Ryan Barretto, CEO of Sprout Social. “We remain committed to strengthening our enterprise presence by increasing customer adoption, expanding within existing accounts, and scaling growth through strategic partnerships. We believe our investments in our product, especially our recent acquisition of NewsWhip, uniquely position us to become the leading social media management platform for all brands.”

Second Quarter 2025 Financial Highlights

Revenue

- Revenue was \$111.8 million, up 12% compared to the second quarter of 2024.
- Total remaining performance obligations (RPO) of \$347.0 million as of June 30, 2025, up 18% year-over-year.
- Current remaining performance obligations (cRPO) of \$251.6 million as of June 30, 2025, up 18% year-over-year.

Operating Income (Loss)

- GAAP operating loss was (\$12.3) million, compared to (\$16.5) million in the second quarter of 2024.
- Non-GAAP operating income was \$10.3 million, compared to \$5.3 million in the second quarter of 2024.

Net Loss

- GAAP net loss was (\$12.0) million, compared to (\$16.9) million in the second quarter of 2024.
- Non-GAAP net income was \$10.7 million, compared to \$4.9 million in the second quarter of 2024.
- GAAP net loss per share was (\$0.21) based on 58.4 million weighted-average shares of common stock outstanding, compared to (\$0.30) based on 56.7 million weighted-average shares of common stock outstanding in the second quarter of 2024.
- Non-GAAP net income per share was \$0.18 based on 58.4 million weighted-average shares of common stock outstanding, compared to \$0.09 based on 56.7 million weighted-average shares of common stock outstanding in the second quarter of 2024.

Cash

- Cash and equivalents and marketable securities totaled \$101.5 million as of June 30, 2025, compared to \$101.9 million as of March 31, 2025.
- Net cash provided by operating activities was \$5.1 million, compared to \$2.1 million in the second quarter of 2024.
- Non-GAAP free cash flow was \$5.2 million, compared to \$2.5 million in the second quarter of 2024.

See “Use of Non-GAAP Financial Measures” below for definitions of Non-GAAP operating income (loss), Non-GAAP net income (loss), Non-GAAP net income (loss) per share and Non-GAAP free cash flow and the financial tables that accompany this release for reconciliations of our non-GAAP measures to their closest comparable GAAP measures. See “Key Business Metrics” below for how Sprout Social defines RPO, cRPO, the number of customers contributing over \$10,000 in ARR and the number of customers contributing over \$50,000 in ARR.

Customer Metrics

- Grew number of customers contributing over \$10,000 in ARR to 9,517 customers as of June 30, 2025, up 6% compared to June 30, 2024.
- Grew number of customers contributing over \$50,000 in ARR to 1,826 customers as of June 30, 2025, up 18% compared to June 30, 2024.

Recent Customer Highlights

- During the second quarter, we had the opportunity to grow with new and existing customers like Honda, Cigna, Authentic Brands Group, Metropolitan Transportation Authority, U.S. Department of Transportation, LaCroix, Smuckers, Canadian Blood Services, Texas Tech, Avera Health, and Kimberly-Clark.

Recent Business Highlights

Sprout Social recently:

- Acquired NewsWhip, enhancing predictive intelligence capabilities and accelerating AI roadmap ([link](#))
- Launched Guardian by Sprout Social, enhancing data security and brand safety ([link](#))
- Won top industry awards for product excellence, customer satisfaction and global impact ([link](#))
- Released new research finding social media is the top place Gen Z turns to for search, surpassing traditional search engines ([link](#))
- Unveiled new innovations in Care, empowering brands to drive business with proactive social care ([link](#))

Third Quarter and 2025 Financial Outlook

For the third quarter of 2025, the Company currently expects:

- Total revenue between \$114.4 million and \$115.2 million.
- Non-GAAP operating income between \$9.3 million and \$10.3 million.
- Non-GAAP net income per share between \$0.15 and \$0.16 based on approximately 59.0 million weighted-average shares of common stock outstanding.

For the full year 2025, the Company currently expects:

- Total revenue between \$452.9 million and \$455.9 million.
- Non-GAAP operating income between \$43.1 million and \$45.1 million.
- Non-GAAP net income per share between \$0.71 and \$0.75 based on approximately 58.7 million weighted-average shares of common stock outstanding.

The Company's third quarter and 2025 financial outlook is based on a number of assumptions that are subject to change and many of which are outside the Company's control. If actual results vary from these assumptions, the Company's expectations may change. There can be no assurance that the Company will achieve these results.

The Company does not provide guidance for operating loss, the most directly comparable GAAP measure to non-GAAP operating income, or net loss per share, the most directly comparable GAAP measure to non-GAAP net income per share, and similarly cannot provide a reconciliation between its forecasted non-GAAP operating income and non-GAAP net income per share and these comparable GAAP measures without unreasonable effort due to the unavailability of reliable estimates for certain items. These items are not within the Company's control and may vary greatly between periods and could significantly impact future financial results.

Conference Call Information

The financial results and business highlights will be discussed on a conference call and webcast scheduled at 4:00 p.m. Central Time (5:00 p.m. Eastern Time) today, August 6, 2025. Online registration for this event conference call can be found at <https://registrations.events/direct/Q41191311>. The live webcast of the conference call can be accessed from Sprout Social's investor relations website at <http://investors.sproutsocial.com>.

Following completion of the events, a webcast replay will also be available at <http://investors.sproutsocial.com> for 12 months.

About Sprout Social

Sprout Social is a global leader in social media management and analytics software, built on the belief that All Business is SocialSM. Sprout's intuitive platform puts powerful social data into the hands of approximately 30,000 brands so they can deliver smarter, faster business impact. Named the #1 Best Software Product by G2's 2024 Best Software Award, Sprout offers comprehensive publishing and engagement functionality, customer care, influencer marketing, advocacy, crisis management and AI-powered business intelligence. Sprout's software operates across all major social media networks and digital platforms. For more information about Sprout Social (NASDAQ: SPT), visit sproutsocial.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "explore," "future," "intend," "long-term model," "may," "medium to longer term goals," "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. However, not all forward-looking statements contain these identifying words. These statements may relate to our market size and growth strategy, our estimated and projected costs, margins, revenue, expenditures and customer and financial growth rates, our Q3 2025 and full year 2025 financial outlook, our plans and objectives for future operations, growth, initiatives or strategies, including our investments in research and development, our expectations about the benefits of the NewsWhip acquisition and other statements that are not historical fact. By their nature, these statements are subject to numerous uncertainties and risks, including factors beyond our control, that could cause actual results, performance or achievement to differ materially and adversely from those anticipated or implied in the forward-looking statements. These assumptions, uncertainties and risks include that, among others: we may not be able to sustain our revenue and customer growth rate in the future, including due to risks associated with our strategic focus on enterprise customers; price increases have and may continue to negatively impact demand for our products, customer acquisition and retention and reduce the total number of customers or customer additions; our business would be harmed by any significant interruptions, delays or outages in services from our platform, our API providers, or certain social media platforms; if we are unable to attract potential customers through unpaid channels, convert this traffic to free trials or convert free trials to paid subscriptions, our business and results of operations may be adversely affected; we may be unable to successfully enter new markets, manage our international expansion and comply with any applicable international laws and regulations; we may be unable to integrate acquired businesses or technologies successfully or achieve the expected benefits of such acquisitions and investments; unstable market, economic, and political conditions, such as recession risks, effects of inflation, tariffs and trade tensions, changes in government spending, labor shortages, supply chain issues, high interest rates, and the impacts of ongoing overseas conflicts, have and could continue to adversely impact our business and that of our existing and prospective customers, which may result in reduced demand for our products; we may not be able to generate sufficient cash to service our indebtedness; covenants in our credit agreement may restrict our operations, and if we do not effectively manage our business to comply with these covenants, our financial condition could be adversely impacted; any cybersecurity-related attack, significant data breach or disruption of the information technology systems or networks on which we rely could negatively affect our business; changing regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information and harm our brand; and risks related to ongoing legal proceedings. Additional risks and uncertainties that could cause actual outcomes and results to differ materially from those contemplated by the forward-looking statements are included under the caption "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the SEC on February 26, 2025 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, to be filed with the SEC as well as any future reports that we file with the SEC. Moreover, you should interpret many of the risks identified in those reports as being heightened as a result of the current and ongoing instability in market, economic, and political conditions. Forward-looking statements speak only as of the date the statements are made and are based on information available to Sprout Social at the time those statements are made and/or management's good faith belief as of that time with respect to future events. Sprout Social assumes no obligation to update forward-looking statements to reflect events or circumstances after the date they were made, except as required by law.

Use of Non-GAAP Financial Measures

We have provided in this press release certain financial information that has not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). Our management uses these non-GAAP

financial measures internally in analyzing our financial results and believes that use of these non-GAAP financial measures is useful to investors as an additional tool to evaluate ongoing operating results and trends and in comparing our financial results with other companies in our industry, many of which present similar non-GAAP financial measures. Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable financial measures prepared in accordance with GAAP and should be read only in conjunction with our consolidated financial statements prepared in accordance with GAAP. A reconciliation of our historical non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the financial statement tables included in this press release, and investors are encouraged to review these reconciliations.

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

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

Non-GAAP operating margin. We define non-GAAP operating margin as non-GAAP operating income (loss) as a percentage of revenue.

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

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

Non-GAAP free cash flow. We define non-GAAP free cash flow as net cash provided by operating activities less expenditures for property and equipment, interest payments on our revolving credit facility and payments related to restructuring charges. 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 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 our core operations that, after expenditures for property and equipment, interest payments on our revolving credit facility and payments related to restructuring charges, is available for strategic initiatives.

Non-GAAP sales and marketing expenses, non-GAAP research and development expenses and non-GAAP general and administrative expenses. Non-GAAP sales and marketing expenses, non-GAAP research and development expenses and non-GAAP general and administrative expenses are defined as sales and marketing expenses, research and development expenses and general and administrative expenses, respectively, less stock-based compensation expense, amortization expense associated with the acquired intangible assets from the Tagger acquisition, restructuring charges, non-cash losses from lease terminations and acquisition-related expenses. We believe these non-GAAP measures provide our management and investors with insight into day-to-day operating expenses given that these measures eliminate the effect of stock-based compensation, amortization expense

associated with the acquired intangible assets from the Tagger acquisition, restructuring charges, non-cash losses from lease terminations and acquisition-related expenses.

Key Business Metrics

Remaining performance obligations (“RPO”). RPO, or remaining performance obligations, represents contracted revenue that has not yet been recognized, and includes deferred revenue and amounts that will be invoiced and recognized in future periods.

Current remaining performance obligations (“cRPO”). cRPO, or current RPO, represents contracted revenue that has not yet been recognized, and includes deferred revenue and amounts that will be invoiced and recognized in the next 12 months.

Number of customers contributing more than \$10,000 in ARR. We define number of 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. 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.

Number of customers contributing more than \$50,000 in ARR. We define number of 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 large customers and attract sophisticated organizations. We believe this represents potential for future growth, including expanding within our current customer base.

While we no longer believe that ARR and 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.

Availability of Information on Sprout Social's Website and Social Media Profiles

Investors and others should note that Sprout Social routinely announces material information to investors and the marketplace using SEC filings, press releases, public conference calls, webcasts and the Sprout Social Investors website. We also intend to use the social media profiles listed below as a means of disclosing information about us to our customers, investors and the public. While not all of the information that the Company posts to the Sprout Social Investors website or to social media profiles is of a material nature, some information could be deemed to be material. Accordingly, the Company encourages investors, the media, and others interested in Sprout Social to review the information that it shares at the Investors link located at the bottom of the page on www.sproutsocial.com and to regularly follow our social media profiles. Users may automatically receive email alerts and other information about Sprout Social when enrolling an email address by visiting "Email Alerts" in the "Shareholder Services" section of Sprout Social's Investor website at <https://investors.sproutsocial.com/>.

Social Media Profiles:

www.twitter.com/SproutSocial
www.twitter.com/SproutSocialIR
www.facebook.com/SproutSocialInc
www.linkedin.com/company/sprout-social-inc/
www.instagram.com/sproutsocial

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

	Three Months Ended June 30,	
	2025	2024
Revenue		
Subscription	\$ 111,110	\$ 98,498
Professional services and other	668	898
Total revenue	111,778	99,396
Cost of revenue(1)		
Subscription	24,551	22,078
Professional services and other	383	324
Total cost of revenue	24,934	22,402
Gross profit	86,844	76,994
Operating expenses		
Research and development(1)	24,587	25,126
Sales and marketing(1)	48,152	46,194
General and administrative(1)	26,420	22,187
Total operating expenses	99,159	93,507
Loss from operations	(12,315)	(16,513)
Interest expense	(409)	(972)
Interest income	946	1,053
Other income (expense), net	356	(257)
Loss before income taxes	(11,422)	(16,689)
Income tax expense	563	203
Net loss	\$ (11,985)	\$ (16,892)
Net loss per share attributable to common shareholders, basic and diluted	\$ (0.21)	\$ (0.30)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	58,360,966	56,699,148

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

	Three Months Ended June 30,	
	2025	2024
Cost of revenue	\$ 684	\$ 906
Research and development	6,405	6,036
Sales and marketing	6,089	8,189
General and administrative	6,988	5,467
Total stock-based compensation expense	\$ 20,166	\$ 20,598

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

	Six Months Ended June 30,	
	2025	2024
Revenue		
Subscription	\$ 219,790	\$ 194,287
Professional services and other	1,277	1,893
Total revenue	221,067	196,180
Cost of revenue(1)		
Subscription	49,024	44,283
Professional services and other	748	547
Total cost of revenue	49,772	44,830
Gross profit	171,295	151,350
Operating expenses		
Research and development(1)	47,816	48,895
Sales and marketing(1)	95,604	90,734
General and administrative(1)	51,392	41,521
Total operating expenses	194,812	181,150
Loss from operations	(23,517)	(29,800)
Interest expense	(923)	(2,018)
Interest income	1,841	2,088
Other income (expense), net	188	(663)
Loss before income taxes	(22,411)	(30,393)
Income tax expense	794	74
Net loss	\$ (23,205)	\$ (30,467)

Net loss per share attributable to common shareholders, basic and diluted	\$ (0.40)	\$ (0.54)
Weighted-average shares outstanding used to compute net loss per share, basic and diluted	58,127,231	56,521,490

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

	Six Months Ended June 30,	
	2025	2024
Cost of revenue	\$ 1,430	\$ 1,831
Research and development	12,611	11,486
Sales and marketing	12,025	15,565
General and administrative	13,895	9,782
Total stock-based compensation expense	\$ 39,961	\$ 38,664

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

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 101,532	\$ 86,437
Marketable securities	-	3,745
Accounts receivable, net of allowances of \$3,325 and \$2,169 at June 30, 2025 and December 31, 2024, respectively	67,264	84,033
Deferred Commissions	23,270	20,184
Prepaid expenses and other assets	15,708	15,816
Total current assets	207,774	210,215
Property and equipment, net	9,848	10,951
Deferred commissions, net of current portion	52,743	51,653
Operating lease, right-of-use asset	10,605	11,326
Goodwill	121,315	121,315
Intangible assets, net	19,328	21,914
Other assets, net	1,321	967

Total assets	\$ 422,934	\$ 428,341
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 11,406	\$ 6,984
Deferred revenue	171,105	178,585
Operating lease liability	2,473	3,747
Accrued wages and payroll related benefits	14,279	20,567
Accrued expenses and other	9,329	10,869
Total current liabilities	208,592	220,752
Revolving credit facility	15,000	25,000
Deferred revenue, net of current portion	1,004	1,101
Operating lease liability, net of current portion	13,431	14,543
Other non-current liabilities	348	351
Total liabilities	238,375	261,747
Stockholders' equity		
Class A common stock, par value \$0.0001 per share; 1,000,000,000 shares authorized; 55,547,480 and 52,605,536 shares issued and outstanding at June 30, 2025, respectively; 54,219,684 and 51,277,740 shares issued and outstanding at December 31, 2024, respectively	4	4
Class B common stock, par value \$0.0001 per share; 25,000,000 shares authorized; 6,416,301 and 6,209,357 shares issued and outstanding at June 30, 2025, respectively; 6,687,582 and 6,480,638 shares issued and outstanding at December 31, 2024, respectively	1	1
Additional paid-in capital	599,564	558,391
Treasury stock, at cost	(37,422)	(37,422)
Accumulated other comprehensive income	-	3
Accumulated deficit	(377,588)	(354,383)
Total stockholders' equity	184,559	166,594
Total liabilities and stockholders' equity	\$ 422,934	\$ 428,341

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

Three Months Ended June 30,

	2025	2024
Cash flows from operating activities		
Net loss	\$ (11,985)	\$ (16,892)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	764	979
Amortization of line of credit issuance costs	58	51
Accretion of discount on marketable securities	-	(102)
Amortization of acquired intangible assets	1,293	1,554
Amortization of deferred commissions	5,636	3,888
Amortization of right-of-use operating lease asset	381	449
Stock-based compensation expense	20,166	20,598
Provision for accounts receivable allowances	1,116	685
Loss on lease termination	1,175	-
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	(3,598)	(8,883)
Prepaid expenses and other current assets	3,430	2,957
Deferred commissions	(7,518)	(7,049)
Accounts payable and accrued expenses	(1,734)	2,652
Deferred revenue	(2,788)	2,158
Lease liabilities	(1,306)	(982)
Net cash provided by operating activities	5,090	2,063
Cash flows from investing activities		
Expenditures for property and equipment	(908)	(493)
Purchases of marketable securities	-	-
Proceeds from maturity of marketable securities	1,000	13,830
Net cash provided by investing activities	92	13,337
Cash flows from financing activities		
Repayments of line of credit	(5,000)	(5,000)
Payments for line of credit issuance costs	(486)	-
Proceeds from exercise of stock options	-	27
Proceeds from employee stock purchase plan	944	1,238
Employee taxes paid related to the net share settlement of stock-based awards	-	(272)
Net cash used in financing activities	(4,542)	(4,007)
Net increase in cash, cash equivalents, and restricted cash	640	11,393

Cash, cash equivalents, and restricted cash

Beginning of period	104,915	73,437
End of period	\$ 105,555	\$ 84,830

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

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities		
Net loss	\$ (23,205)	\$ (30,467)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation and amortization of property, equipment and software	1,989	1,866
Amortization of line of credit issuance costs	110	103
Accretion of discount on marketable securities	(7)	(325)
Amortization of acquired intangible assets	2,586	3,124
Amortization of deferred commissions	10,919	7,411
Amortization of right-of-use operating lease asset	722	885
Stock-based compensation expense	39,961	38,664
Provision for accounts receivable allowances	2,245	741
Loss on lease termination	1,175	-
Changes in operating assets and liabilities, excluding impact from business acquisition		
Accounts receivable	14,524	4,134
Prepaid expenses and other current assets	201	(4,713)
Deferred commissions	(15,095)	(13,832)
Accounts payable and accrued expenses	(3,221)	(213)
Deferred revenue	(7,578)	7,806
Lease liabilities	(2,132)	(1,957)
Net cash provided by operating activities	23,194	13,227
Cash flows from investing activities		
Expenditures for property and equipment	(2,265)	(1,585)
Payments for business acquisition, net of cash acquired	-	(1,409)
Proceeds from maturity of marketable securities	3,750	36,385

Net cash provided by investing activities	1,485	33,391
Cash flows from financing activities		
Repayments of line of credit	(10,000)	(15,000)
Payments for line of credit issuance costs	(486)	-
Proceeds from exercise of stock options	-	27
Proceeds from employee stock purchase plan	944	1,238
Employee taxes paid related to the net share settlement of stock-based awards	-	(1,748)
Net cash used in financing activities	(9,542)	(15,483)
Net increase in cash, cash equivalents, and restricted cash	15,137	31,135
Cash, cash equivalents, and restricted cash		
Beginning of period	90,418	53,695
End of period	\$ 105,555	\$ 84,830

The following schedule reflects our non-GAAP financial measures and reconciles our non-GAAP financial measures to the related GAAP financial measures (in thousands, except per share data):

Reconciliation of Non-GAAP Financial Measures

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Reconciliation of Non-GAAP gross profit				
Gross profit	\$ 86,844	\$ 76,994	\$ 171,295	\$ 151,350
Stock-based compensation expense	684	906	1,430	1,831
Amortization of acquired developed technology	705	705	1,410	1,410
Restructuring charges	-	-	416	-
Non-GAAP gross profit	\$ 88,233	\$ 78,605	\$ 174,551	\$ 154,591
Reconciliation of Non-GAAP operating income				
Loss from operations	\$ (12,315)	\$ (16,513)	\$ (23,517)	\$ (29,800)
Stock-based compensation expense	20,166	20,598	39,961	38,664
Amortization of acquired intangible assets	1,213	1,213	2,426	2,426
Restructuring charges	-	-	2,731	-
Loss on lease termination	1,175	-	1,175	-
Acquisition-related expenses	90	-	90	-

Non-GAAP operating income	<u>\$ 10,329</u>	<u>\$ 5,298</u>	<u>\$ 22,866</u>	<u>\$ 11,290</u>
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Reconciliation of Non-GAAP net income

Net loss	\$ (11,985)	\$ (16,892)	\$ (23,205)	\$ (30,467)
Stock-based compensation expense	20,166	20,598	39,961	38,664
Amortization of acquired intangible assets	1,213	1,213	2,426	2,426
Restructuring charges	-	-	2,731	-
Loss on lease termination	1,175	-	1,175	-
Acquisition-related expenses	90	-	90	-
Non-GAAP net income	<u>\$ 10,659</u>	<u>\$ 4,919</u>	<u>\$ 23,178</u>	<u>\$ 10,623</u>

Reconciliation of Non-GAAP net income per share

Net loss per share attributable to common shareholders, basic and diluted	\$ (0.21)	\$ (0.30)	\$ (0.40)	\$ (0.54)
Stock-based compensation expense	0.35	0.37	0.69	0.69
Amortization of acquired intangible assets	0.02	0.02	0.04	0.04
Restructuring charges	-	-	0.05	-
Loss on lease termination	0.02	-	0.02	-
Acquisition-related expenses	-	-	-	-
Non-GAAP net income per share	<u>\$ 0.18</u>	<u>\$ 0.09</u>	<u>\$ 0.40</u>	<u>\$ 0.19</u>

Reconciliation of Non-GAAP free cash flow

Net cash provided by operating activities	\$ 5,090	\$ 2,063	\$ 23,194	\$ 13,227
Expenditures for property and equipment	(908)	(493)	(2,265)	(1,585)
Interest paid on credit facility	338	918	822	2,178
Payments related to restructuring charges	697	-	2,946	-
Non-GAAP free cash flow	<u>\$ 5,217</u>	<u>\$ 2,488</u>	<u>\$ 24,697</u>	<u>\$ 13,820</u>