

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**November 6, 2019  
Date of Report (date of earliest event reported)**

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**WORKIVA INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of incorporation or  
organization)

**001-36773**  
(Commission File Number)

**47-2509828**  
(I.R.S. Employer Identification Number)

**2900 University Blvd  
Ames, IA 50010  
(888) 275-3125**  
(Address of principal executive offices and zip code)  
**(888) 275-3125**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| <u>Title of each class</u>             | <u>Trading Symbol</u> | <u>Name of each exchange on which registered</u> |
|--|-----------------------|--|
| Class A common stock, par value \$.001 | WK                    | New York Stock Exchange                          |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company

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

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## Section 2 - Financial Information

### Item 2.02 - Results of Operations and Financial Condition

On November 6, 2019, Workiva Inc. ("Workiva") issued a press release announcing its results for the quarter ended September 30, 2019. A copy of the press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

The information in this current report on Form 8-K and the exhibits attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

## Section 9 - Financial Statements and Exhibits

### Item 9.01 - Financial Statements and Exhibits

(d): The following exhibits are being filed herewith:

| <b><u>Exhibit Number</u></b> | <b><u>Description</u></b>  |
|------------------------------|--|
| 99.1                         | <a href="#">Press Release entitled "Workiva Announces Third Quarter 2019 Financial Results" dated November 6, 2019</a> |
| 104                          | Cover Page Interactive Data File (embedded within the Inline XBRL document)  |

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 6th day of November, 2019.

**WORKIVA INC.**

**By:** /s/ J. Stuart Miller  
**Name:** J. Stuart Miller  
**Title:** Executive Vice President and Chief Financial Officer



**FOR IMMEDIATE RELEASE**

## **Workiva Announces Third Quarter 2019 Financial Results**

*Q3 Subscription and Support Revenue of \$63.0 Million, up 22.8% from Q3 2018*

*Q3 Total Revenue of \$74.2 Million, up 21.9% from Q3 2018*

**AMES, Iowa - November 6, 2019** — Workiva (NYSE:WK), provider of the world's leading connected reporting and compliance platform, today announced financial results for its third quarter ended September 30, 2019.

"We posted strong quarterly results once again," said Marty Vanderploeg, Chief Executive Officer of Workiva. "We exceeded quarterly guidance for revenue and operating results, and we are raising revenue guidance for the full year 2019."

"We are pleased with our progress across our four growth vectors: Europe, Wdata, integrated risk solutions and global statutory reporting," said Vanderploeg.

### **Third Quarter 2019 Financial Highlights**

- **Revenue:** Total revenue for the third quarter of 2019 reached \$74.2 million, an increase of 21.9% from \$60.9 million in the third quarter of 2018. Subscription and support revenue contributed \$63.0 million, up 22.8% versus the third quarter of 2018. Professional services revenue was \$11.2 million, an increase of 16.6% compared to the same quarter in the prior year.
- **Gross Profit:** GAAP gross profit for the third quarter of 2019 was \$52.4 million compared with \$45.2 million in the same quarter of 2018. GAAP gross margin was 70.7% versus 74.2% in the third quarter of 2018. Non-GAAP gross profit for the third quarter of 2019 was \$53.3 million, an increase of 17.0% compared with the prior year's third quarter, and non-GAAP gross margin was 71.8% compared to 74.8% in the third quarter of 2018.
- **Loss from Operations:** GAAP loss from operations for the third quarter of 2019 was \$15.5 million compared with a loss of \$10.7 million in the prior year's third quarter. Non-GAAP loss from operations was \$6.3 million, compared with non-GAAP loss from operations of \$3.8 million in the third quarter of 2018.
- **Net Loss:** GAAP net loss for the third quarter of 2019 was \$16.1 million compared with a net loss of \$11.0 million for the prior year's third quarter. GAAP net loss per basic and diluted share was \$0.34 compared with a net loss per basic and diluted share of \$0.25 in the third quarter of 2018.
- Non-GAAP net loss for the third quarter of 2019 was \$5.7 million compared with a net loss of \$4.0 million in the prior year's third quarter. Non-GAAP net loss per basic and diluted share was \$0.12, compared with a net loss per basic and diluted share of \$0.09 in the third quarter of 2018.
- **Liquidity:** As of September 30, 2019, Workiva had cash, cash equivalents and marketable securities totaling \$484.8 million, compared with \$98.3 million as of December 31, 2018. In August 2019, we issued \$345.0 million aggregate principal amount of 1.125% convertible senior notes due 2026. In addition, financing obligations totaled \$17.5 million as of September 30, 2019.

## **Key Metrics**

- **Customers:** Workiva had 3,454 customers as of September 30, 2019, a net increase of 165 customers from September 30, 2018.
- **Revenue Retention Rate:** As of September 30, 2019, Workiva's revenue retention rate (excluding add-on revenue) was 94.5%, and the revenue retention rate including add-on revenue was 112.8%. Add-on revenue includes changes for existing customers in new solutions, new seats and pricing.
- **Large Contracts:** As of September 30, 2019, Workiva had 611 customers with an annual contract value (ACV) of more than \$100,000, up 53.5% from 398 customers at September 30, 2018. Workiva had 261 customers with an ACV of more than \$150,000, up 50.9% from 173 customers in the third quarter of 2018.

## **Other Recent Business Highlights**

- Julie Iskow named Executive Vice President and Chief Operating Officer as of October 1, 2019.

## **Financial Outlook**

As of November 6, 2019, Workiva is providing guidance for its fourth quarter 2019 and full year 2019 as follows:

### **Fourth Quarter 2019 Guidance:**

- Total revenue is expected to be in the range of \$75.3 million to \$75.8 million.
- GAAP loss from operations is expected to be in the range of \$18.3 million to \$18.8 million.
- Non-GAAP loss from operations is expected to be in the range of \$8.3 million to \$8.8 million.
- GAAP net loss per basic and diluted share is expected to be in the range of \$0.41 to \$0.42.
- Non-GAAP net loss per basic and diluted share is expected to be in the range of \$0.15 to \$0.16.
- Net loss per basic and diluted share is based on 47.0 million weighted-average shares outstanding.

### **Full Year 2019 Guidance:**

- Total revenue is expected to be in the range of \$292.9 million to \$293.4 million.
- GAAP loss from operations is expected to be in the range of \$49.5 million to \$50.0 million.
- Non-GAAP loss from operations is expected to be in the range of \$13.6 million to \$14.1 million.
- Net cash provided by operating activities is expected to be approximately \$32 million.
- GAAP net loss per basic and diluted share is expected to be in the range of \$1.10 to \$1.11.
- Non-GAAP net loss per basic and diluted share is expected to be in the range of \$0.26 to \$0.27.
- Net loss per basic and diluted share is based on 46.3 million weighted-average shares outstanding.

## **Quarterly Conference Call**

Workiva will host a conference call today at 5:00 p.m. ET to review the Company's financial results for the third quarter 2019, in addition to discussing the Company's outlook for the fourth quarter and full year 2019. To access this call, dial 833-287-0800 (U.S. domestic) or 647-689-4459 (international). The conference ID is 9773529. A live webcast of the conference call will be accessible in the "Investor Relations" section of Workiva's website at [www.workiva.com](http://www.workiva.com). A replay of this conference call can also be accessed through November 13, 2019 at 800-585-8367 (U.S. domestic) or 416-621-4642 (international). The replay pass code is 9773529. An archived webcast of this conference call will also be available an hour after the completion of the call in the "Investor Relations" section of the Company's website at [www.workiva.com](http://www.workiva.com).

## **About Workiva**

Workiva, provider of the world's leading connected reporting and compliance platform, is used by thousands of enterprises across 180 countries, including more than 75 percent of Fortune 500® companies, and by government agencies. Our customers have linked over five billion data elements to trust their data, reduce risk and save time. For more information about Workiva (NYSE:WK), please visit [workiva.com](http://workiva.com).

Read the Workiva blog: [www.workiva.com/blog](http://www.workiva.com/blog)

Follow Workiva on LinkedIn: [www.linkedin.com/company/workiva](http://www.linkedin.com/company/workiva)

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

The non-GAAP adjustments referenced herein relate to the exclusion of stock-based compensation, non-cash interest expense and CEO separation expense. A reconciliation of GAAP to non-GAAP historical financial measures has been provided in Table I at the end of this press release. A reconciliation of GAAP to non-GAAP guidance has been provided in Table II at the end of this press release.

Workiva believes that the use of non-GAAP gross profit and gross margin, non-GAAP loss from operations, non-GAAP net loss and non-GAAP net loss per share is helpful to its investors. These measures, which are referred to as non-GAAP financial measures, are not prepared in accordance with generally accepted accounting principles in the United States, or GAAP. Non-GAAP gross profit is calculated by excluding stock-based compensation expense attributable to cost of revenues from gross profit. Non-GAAP gross margin is the ratio calculated by dividing non-GAAP gross profit by revenues. Non-GAAP loss from operations is calculated by excluding stock-based compensation expense and CEO separation expense from loss from operations. Non-GAAP net loss is calculated by excluding stock-based compensation expense, net of tax, CEO separation expense, and non-cash interest expense related to our convertible senior notes from net loss. Non-GAAP net loss per share is calculated by dividing non-GAAP net loss by the weighted- average shares outstanding as presented in the calculation of GAAP net loss per share. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expenses, Workiva believes that providing non-GAAP financial measures that exclude stock-based compensation expense allows for more meaningful comparisons between its operating results from period to period. Under GAAP, certain convertible debt instruments that may be settled in cash on conversion are required to be accounted for as separate liability and equity components in a manner that reflects our non-convertible debt borrowing rate. This results in the debt component being treated as though it was issued at a discount, with the debt discount being accreted as additional non-cash interest expense over the term of the notes using the effective interest method. As a result, we believe that excluding this non-cash interest expense attributable to the debt discount in calculating our non-GAAP measures is useful because this interest expense does not represent a cash outflow and is not indicative of our ongoing operational performance. Because of the non-recurring nature of CEO separation expense, Workiva believes this expense is not representative of ongoing operating costs. Workiva's management excludes CEO separation expense when evaluating its ongoing performance and/or predicting its operating trends and believes that its investors should have access to the same set of tools that we use in analyzing results. Workiva's management uses these non-GAAP financial measures as tools for financial and operational decision making and for evaluating Workiva's own operating results over different periods of time.

Non-GAAP financial measures may not provide information that is directly comparable to that provided by other companies in Workiva's industry, as other companies in the industry may calculate non-GAAP financial results differently. In addition, there are limitations in using non-GAAP financial measures because the non-GAAP financial measures are not prepared in accordance with GAAP, may be different from non-GAAP financial measures used by other companies and exclude expenses that may have a material impact on Workiva's reported financial results. Further, stock-based compensation expense has been and will continue to be for the foreseeable future a significant recurring expense in Workiva's business and an important part of the compensation provided to its employees. The presentation of non-GAAP financial information is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. Investors should review the reconciliation of non-GAAP financial measures to the comparable GAAP financial measures included below, and not rely on any single financial measure to evaluate Workiva's business.

## **Safe Harbor Statement**

Certain statements in this press release are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, and are subject to the safe harbor created thereby. These statements relate to future events or the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company or its industry to be materially different from those expressed or implied by any forward-looking statements. In particular, statements about the Company's expectations, beliefs, plans, objectives, assumptions, future events or future performance contained in this press release are forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," "outlook," "guidance" or the negative of those terms or other comparable terminology.

Please see the Company's documents filed or to be filed with the Securities and Exchange Commission, including the Company's annual reports filed on Form 10-K and quarterly reports on Form 10-Q, and any amendments thereto for a discussion of certain important risk factors that relate to forward-looking statements contained in this report. The Company has based these forward-looking statements on its current expectations, assumptions, estimates and projections. While the Company believes these expectations, assumptions, estimates and projections are reasonable, such forward-looking statements are only predictions and involve known and unknown risks and uncertainties, many of which are beyond the Company's control. These and other important factors may cause actual results, performance or achievements to differ materially from those expressed or implied by these forward-looking statements. Any forward-looking statements are made only as of the date hereof, and unless otherwise required by applicable securities laws, the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

###

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WORKIVA INC.

CONSOLIDATED STATEMENTS OF OPERATIONS  
(in thousands, except share and per share amounts)

|  | Three months ended September 30, |             | Nine months ended September 30, |             |
|--|----------------------------------|-------------|---------------------------------|-------------|
|  | 2019                             | 2018        | 2019                            | 2018        |
|  | (unaudited)                      |             |                                 |             |
| Revenue  |                                  |             |                                 |             |
| Subscription and support                                       | \$ 63,022                        | \$ 51,306   | \$ 179,617                      | \$ 146,613  |
| Professional services  | 11,157                           | 9,567       | 38,009                          | 33,296      |
| Total revenue  | 74,179                           | 60,873      | 217,626                         | 179,909     |
| Cost of revenue  |                                  |             |                                 |             |
| Subscription and support <sup>(1)</sup>                        | 10,924                           | 8,139       | 30,935                          | 25,578      |
| Professional services <sup>(1)</sup>                           | 10,827                           | 7,520       | 31,029                          | 22,888      |
| Total cost of revenue  | 21,751                           | 15,659      | 61,964                          | 48,466      |
| Gross profit   | 52,428                           | 45,214      | 155,662                         | 131,443     |
| Operating expenses   |                                  |             |                                 |             |
| Research and development <sup>(1)</sup>                        | 22,899                           | 19,984      | 66,705                          | 60,829      |
| Sales and marketing <sup>(1)</sup>                             | 32,990                           | 24,068      | 86,568                          | 67,326      |
| General and administrative <sup>(1)</sup>                      | 12,017                           | 11,864      | 33,626                          | 45,286      |
| Total operating expenses                                       | 67,906                           | 55,916      | 186,899                         | 173,441     |
| Loss from operations   | (15,478)                         | (10,702)    | (31,237)                        | (41,998)    |
| Interest income  | 1,460                            | 341         | 2,593                           | 843         |
| Interest expense   | (1,959)                          | (448)       | (2,832)                         | (1,347)     |
| Other income and (expense), net                                | 24                               | (138)       | (259)                           | 195         |
| Loss before provision for income taxes                         | (15,953)                         | (10,947)    | (31,735)                        | (42,307)    |
| Provision for income taxes                                     | 98                               | 17          | 101                             | 43          |
| Net loss   | \$ (16,051)                      | \$ (10,964) | \$ (31,836)                     | \$ (42,350) |
| Net loss per common share:                                     |                                  |             |                                 |             |
| Basic and diluted  | \$ (0.34)                        | \$ (0.25)   | \$ (0.69)                       | \$ (0.98)   |
| Weighted-average common shares outstanding - basic and diluted | 46,731,663                       | 43,973,428  | 46,048,037                      | 43,359,939  |

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

|                            | Three months ended September 30, |        | Nine months ended September 30, |        |
|----------------------------|----------------------------------|--------|---------------------------------|--------|
|                            | 2019                             | 2018   | 2019                            | 2018   |
|                            | (unaudited)                      |        |                                 |        |
| Cost of revenue            |                                  |        |                                 |        |
| Subscription and support   | \$ 386                           | \$ 161 | \$ 1,142                        | \$ 560 |
| Professional services      | 456                              | 153    | 1,296                           | 449    |
| Operating expenses         |                                  |        |                                 |        |
| Research and development   | 2,265                            | 1,624  | 6,016                           | 4,140  |
| Sales and marketing        | 2,203                            | 1,397  | 6,199                           | 3,950  |
| General and administrative | 3,913                            | 3,614  | 11,276                          | 14,220 |



**WORKIVA INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(in thousands)

|   | September 30, 2019<br>(unaudited) | December 31, 2018 |
|---|-----------------------------------|-------------------|
| <b>Assets</b>   |                                   |                   |
| Current assets  |                                   |                   |
| Cash and cash equivalents                                   | \$ 389,124                        | \$ 77,584         |
| Marketable securities                                       | 95,644                            | 20,764            |
| Accounts receivable, net                                    | 43,590                            | 65,107            |
| Deferred commissions  | 12,740                            | 8,178             |
| Other receivables   | 1,651                             | 1,181             |
| Prepaid expenses and other                                  | 8,148                             | 4,417             |
| <b>Total current assets</b>                                 | <b>550,897</b>                    | <b>177,231</b>    |
| Property and equipment, net                                 | 40,292                            | 41,468            |
| Operating lease right-of-use assets                         | 15,917                            | —                 |
| Deferred commissions, non-current                           | 13,940                            | 10,569            |
| Intangible assets, net                                      | 1,795                             | 1,266             |
| Other assets  | 3,920                             | 577               |
| <b>Total assets</b>   | <b>\$ 626,761</b>                 | <b>\$ 231,111</b> |
| <b>Liabilities and Stockholders' Equity (Deficit)</b>       |                                   |                   |
| Current liabilities   |                                   |                   |
| Accounts payable  | \$ 4,895                          | \$ 5,461          |
| Accrued expenses and other current liabilities              | 47,302                            | 36,353            |
| Deferred revenue  | 156,352                           | 148,545           |
| Current portion of financing obligations                    | 1,295                             | 1,222             |
| <b>Total current liabilities</b>                            | <b>209,844</b>                    | <b>191,581</b>    |
| Convertible senior notes, net                               | 278,422                           | —                 |
| Deferred revenue, non-current                               | 31,467                            | 25,171            |
| Other long-term liabilities                                 | 1,387                             | 6,891             |
| Operating lease liabilities, non-current                    | 19,273                            | —                 |
| Financing obligations, non-current                          | 16,234                            | 17,208            |
| <b>Total liabilities</b>                                    | <b>556,627</b>                    | <b>240,851</b>    |
| Stockholders' equity (deficit)                              |                                   |                   |
| Common stock  | 47                                | 44                |
| Additional paid-in-capital                                  | 408,656                           | 297,145           |
| Accumulated deficit   | (338,863)                         | (307,027)         |
| Accumulated other comprehensive income                      | 294                               | 98                |
| <b>Total stockholders' equity (deficit)</b>                 | <b>70,134</b>                     | <b>(9,740)</b>    |
| <b>Total liabilities and stockholders' equity (deficit)</b> | <b>\$ 626,761</b>                 | <b>\$ 231,111</b> |

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

|  | Three months ended September 30, |             | Nine months ended September 30, |             |
|--|----------------------------------|-------------|---------------------------------|-------------|
|  | 2019                             | 2018        | 2019                            | 2018        |
|  | (unaudited)                      |             |                                 |             |
| <b>Cash flows from operating activities</b>                                      |                                  |             |                                 |             |
| Net loss   | \$ (16,051)                      | \$ (10,964) | \$ (31,836)                     | \$ (42,350) |
| Adjustments to reconcile net loss to net cash provided by operating activities:  |                                  |             |                                 |             |
| Depreciation and amortization  | 1,058                            | 1,133       | 2,932                           | 2,881       |
| Stock-based compensation expense   | 9,223                            | 6,949       | 25,929                          | 23,319      |
| (Recovery of) provision for doubtful accounts                                    | (104)                            | 128         | (58)                            | 311         |
| Amortization (accretion) of premiums and discounts on marketable securities, net | 15                               | (66)        | (89)                            | (63)        |
| Amortization of debt discount and issuance costs                                 | 1,083                            | —           | 1,083                           | —           |
| Deferred income tax  | (21)                             | (4)         | (67)                            | (4)         |
| Changes in assets and liabilities:   |                                  |             |                                 |             |
| Accounts receivable  | 3,579                            | (1,691)     | 21,530                          | 4,615       |
| Deferred commissions   | (2,106)                          | (1,939)     | (7,968)                         | (5,608)     |
| Operating lease right-of-use asset   | 581                              | —           | 1,805                           | —           |
| Other receivables  | (417)                            | (591)       | (470)                           | (416)       |
| Prepaid expenses   | (191)                            | 2,501       | (3,737)                         | 712         |
| Other assets   | (943)                            | (389)       | (2,349)                         | (557)       |
| Accounts payable   | 516                              | 616         | 160                             | 1,999       |
| Deferred revenue   | 3,830                            | 8,630       | 14,112                          | 15,032      |
| Operating lease liability  | (758)                            | —           | (2,226)                         | —           |
| Accrued expenses and other liabilities   | 5,403                            | 3,269       | 9,828                           | 6,948       |
| Net cash provided by operating activities  | 4,697                            | 7,582       | 28,579                          | 6,819       |
| <b>Cash flows from investing activities</b>                                      |                                  |             |                                 |             |
| Purchase of property and equipment   | (663)                            | (523)       | (2,860)                         | (742)       |
| Purchase of marketable securities  | (54,749)                         | (6,441)     | (95,466)                        | (17,724)    |
| Maturities of marketable securities  | 1,500                            | 4,600       | 20,390                          | 9,000       |
| Sale of marketable securities  | 498                              | —           | 498                             | —           |
| Purchase of intangible assets  | (51)                             | (46)        | (712)                           | (174)       |
| Other  | (1,000)                          | —           | (1,000)                         | —           |
| Net cash used in investing activities  | (54,465)                         | (2,410)     | (79,150)                        | (9,640)     |

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in thousands)

|  | Three months ended September 30, |                  | Nine months ended September 30, |                  |
|--|----------------------------------|------------------|---------------------------------|------------------|
|  | 2019                             | 2018             | 2019                            | 2018             |
|  | (unaudited)                      |                  |                                 |                  |
| <b>Cash flows from financing activities</b>                                    |                                  |                  |                                 |                  |
| Proceeds from option exercises   | 5,940                            | 7,534            | 22,493                          | 13,927           |
| Taxes paid related to net share settlements of stock-based compensation awards | —                                | —                | (390)                           | (1,861)          |
| Proceeds from shares issued in connection with employee stock purchase plan    | 2,773                            | 1,846            | 4,922                           | 3,216            |
| Proceeds from the issuance of convertible senior notes, net of issuance costs  | 335,899                          | —                | 335,899                         | —                |
| Principal payments on capital lease and financing obligations                  | (306)                            | (287)            | (901)                           | (879)            |
| Proceeds from government grants  | —                                | —                | —                               | 22               |
| Net cash provided by financing activities                                      | 344,306                          | 9,093            | 362,023                         | 14,425           |
| Effect of foreign exchange rates on cash                                       | (127)                            | 83               | 88                              | (94)             |
| Net increase in cash and cash equivalents                                      | 294,411                          | 14,348           | 311,540                         | 11,510           |
| Cash and cash equivalents at beginning of period                               | 94,713                           | 57,495           | 77,584                          | 60,333           |
| Cash and cash equivalents at end of period                                     | <u>\$ 389,124</u>                | <u>\$ 71,843</u> | <u>\$ 389,124</u>               | <u>\$ 71,843</u> |

**TABLE I**  
**WORKIVA INC.**  
**RECONCILIATION OF NON-GAAP INFORMATION**  
(in thousands, except share and per share)

|   | Three months ended September 30, |                  | Nine months ended September 30, |                   |
|---|----------------------------------|------------------|---------------------------------|-------------------|
|   | 2019                             | 2018             | 2019                            | 2018              |
| Gross profit, subscription and support                        | \$ 52,098                        | \$ 43,167        | \$ 148,682                      | \$ 121,035        |
| Add back: Stock-based compensation                            | 386                              | 161              | 1,142                           | 560               |
| Gross profit, subscription and support, non-GAAP              | <u>\$ 52,484</u>                 | <u>\$ 43,328</u> | <u>\$ 149,824</u>               | <u>\$ 121,595</u> |
| As a percentage of subscription and support revenue, non-GAAP | 83.3 %                           | 84.5 %           | 83.4 %                          | 82.9 %            |
| Gross profit, professional services                           | \$ 330                           | \$ 2,047         | \$ 6,980                        | \$ 10,408         |
| Add back: Stock-based compensation                            | 456                              | 153              | 1,296                           | 449               |
| Gross profit, professional services, non-GAAP                 | <u>\$ 786</u>                    | <u>\$ 2,200</u>  | <u>\$ 8,276</u>                 | <u>\$ 10,857</u>  |
| As a percentage of professional services revenue, non-GAAP    | 7.0 %                            | 23.0 %           | 21.8 %                          | 32.6 %            |
| Gross profit  | \$ 52,428                        | \$ 45,214        | \$ 155,662                      | \$ 131,443        |
| Add back: Stock-based compensation                            | 842                              | 314              | 2,438                           | 1,009             |
| Gross profit, non-GAAP  | <u>\$ 53,270</u>                 | <u>\$ 45,528</u> | <u>\$ 158,100</u>               | <u>\$ 132,452</u> |
| As percentage of revenue, non-GAAP                            | 71.8 %                           | 74.8 %           | 72.6 %                          | 73.6 %            |
| Cost of revenue, subscription and support                     | \$ 10,924                        | \$ 8,139         | \$ 30,935                       | \$ 25,578         |
| Less: Stock-based compensation                                | 386                              | 161              | 1,142                           | 560               |
| Cost of revenue, subscription and support, non-GAAP           | <u>\$ 10,538</u>                 | <u>\$ 7,978</u>  | <u>\$ 29,793</u>                | <u>\$ 25,018</u>  |
| As percentage of revenue, non-GAAP                            | 14.2 %                           | 13.1 %           | 13.7 %                          | 13.9 %            |
| Cost of revenue, professional services                        | \$ 10,827                        | \$ 7,520         | \$ 31,029                       | \$ 22,888         |
| Less: Stock-based compensation                                | 456                              | 153              | 1,296                           | 449               |
| Cost of revenue, professional services, non-GAAP              | <u>\$ 10,371</u>                 | <u>\$ 7,367</u>  | <u>\$ 29,733</u>                | <u>\$ 22,439</u>  |
| As percentage of revenue, non-GAAP                            | 14.0 %                           | 12.1 %           | 13.7 %                          | 12.5 %            |
| Research and development                                      | \$ 22,899                        | \$ 19,984        | \$ 66,705                       | \$ 60,829         |
| Less: Stock-based compensation                                | 2,265                            | 1,624            | 6,016                           | 4,140             |
| Research and development, non-GAAP                            | <u>\$ 20,634</u>                 | <u>\$ 18,360</u> | <u>\$ 60,689</u>                | <u>\$ 56,689</u>  |
| As percentage of revenue, non-GAAP                            | 27.8 %                           | 30.2 %           | 27.9 %                          | 31.5 %            |
| Sales and marketing   | \$ 32,990                        | \$ 24,068        | \$ 86,568                       | \$ 67,326         |
| Less: Stock-based compensation                                | 2,203                            | 1,397            | 6,199                           | 3,950             |
| Sales and marketing, non-GAAP                                 | <u>\$ 30,787</u>                 | <u>\$ 22,671</u> | <u>\$ 80,369</u>                | <u>\$ 63,376</u>  |
| As percentage of revenue, non-GAAP                            | 41.5 %                           | 37.2 %           | 36.9 %                          | 35.2 %            |

**TABLE I**  
**WORKIVA INC.**  
**RECONCILIATION OF NON-GAAP INFORMATION**  
(in thousands, except share and per share)

|  | Three months ended September 30, |             | Nine months ended September 30, |             |
|--|----------------------------------|-------------|---------------------------------|-------------|
|  | 2019                             | 2018        | 2019                            | 2018        |
| General and administrative   | \$ 12,017                        | \$ 11,864   | \$ 33,626                       | \$ 45,286   |
| Less: Stock-based compensation   | 3,913                            | 3,614       | 11,276                          | 10,599      |
| Less: CEO separation expense <sup>(1)</sup>                              | —                                | —           | —                               | 9,527       |
| General and administrative, non-GAAP                                     | \$ 8,104                         | \$ 8,250    | \$ 22,350                       | \$ 25,160   |
| As percentage of revenue, non-GAAP                                       | 10.9 %                           | 13.6 %      | 10.3 %                          | 14.0 %      |
| Loss from operations   | \$ (15,478)                      | \$ (10,702) | \$ (31,237)                     | \$ (41,998) |
| Add back: Stock-based compensation                                       | 9,223                            | 6,949       | 25,929                          | 19,698      |
| Add back: CEO separation expense <sup>(1)</sup>                          | —                                | —           | —                               | 9,527       |
| Loss from operations, non-GAAP   | \$ (6,255)                       | \$ (3,753)  | \$ (5,308)                      | \$ (12,773) |
| As percentage of revenue, non-GAAP                                       | (8.4)%                           | (6.2)%      | (2.4)%                          | (7.1)%      |
| Net loss   | \$ (16,051)                      | \$ (10,964) | \$ (31,836)                     | \$ (42,350) |
| Add back: Stock-based compensation                                       | 9,223                            | 6,949       | 25,929                          | 19,698      |
| Add back: Non-cash interest expense related to convertible senior notes  | 1,083                            | —           | 1,083                           | —           |
| Add back: CEO separation expense <sup>(1)</sup>                          | —                                | —           | —                               | 9,527       |
| Net loss, non-GAAP   | \$ (5,745)                       | \$ (4,015)  | \$ (4,824)                      | \$ (13,125) |
| As percentage of revenue, non-GAAP                                       | (7.7)%                           | (6.6)%      | (2.2)%                          | (7.3)%      |
| Net loss per basic and diluted share:                                    | \$ (0.34)                        | \$ (0.25)   | \$ (0.69)                       | \$ (0.98)   |
| Add back: Stock-based compensation                                       | 0.20                             | 0.16        | 0.57                            | 0.46        |
| Add back: Non-cash interest expense related to convertible senior notes  | 0.02                             | —           | 0.02                            | —           |
| Add back: CEO separation expense <sup>(1)</sup>                          | —                                | —           | —                               | 0.22        |
| Net loss per basic and diluted share, non-GAAP                           | \$ (0.12)                        | \$ (0.09)   | \$ (0.10)                       | \$ (0.30)   |
| Weighted-average common shares outstanding - basic and diluted, non-GAAP | 46,731,663                       | 43,973,428  | 46,048,037                      | 43,359,939  |

(1) CEO separation expense in the nine months ended September 30, 2018 includes stock-based compensation of \$3.6 million related to the acceleration of eligible stock awards and separation payment expense of \$5.9 million pursuant to the former CEO's employment agreement. Included as separation payment expense are cash payments made in excess of the related bonus accrual recorded through the date of separation.

**TABLE II**  
**WORKIVA INC.**  
**RECONCILIATION OF NON-GAAP GUIDANCE**  
**(in thousands, except share and per share data)**

|   | <b>Three months ending December 31,<br/>2019</b> |                     | <b>Year ending December 31, 2019</b> |                      |
|---|--|---------------------|--------------------------------------|----------------------|
| Loss from operations, GAAP range  | \$ (18,300)                                      | - \$ (18,800)       | \$ (49,500)                          | - \$ (50,000)        |
| Add back: Stock-based compensation                                      | 10,000   | 10,000              | 35,900                               | 35,900               |
| Loss from operations, non-GAAP range                                    | <u>\$ (8,300)</u>                                | <u>- \$ (8,800)</u> | <u>\$ (13,600)</u>                   | <u>- \$ (14,100)</u> |
| Net loss per share, GAAP range  | \$ (0.41)  | - \$ (0.42)         | \$ (1.10)                            | - \$ (1.11)          |
| Add back: Stock-based compensation                                      | 0.21   | 0.21                | 0.77                                 | 0.77                 |
| Add back: Non-cash interest expense related to convertible senior notes | 0.05   | 0.05                | 0.07                                 | 0.07                 |
| Net loss per share, non-GAAP range                                      | <u>\$ (0.15)</u>                                 | <u>- \$ (0.16)</u>  | <u>\$ (0.26)</u>                     | <u>- \$ (0.27)</u>   |
| Weighted-average common shares outstanding - basic and diluted          | 47,000,000                                       | 47,000,000          | 46,300,000                           | 46,300,000           |