UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2024

OR

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

For transition period from to

Commission File Number 001-36773

WORKIVA INC.

(Exact name of registrant as specified in its charter)

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

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, par value $.001	**WK**	**New York Stock Exchange**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ 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(a) of the Exchange Act. ☐

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

As of July 26, 2024, there were approximately 51,394,455 shares of the registrant's Class A common stock and 3,845,583 shares of the registrant's Class B common stock outstanding.

WORKIVA INC.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Quarterly Report on Form 10-Q 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. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical facts, including statements regarding our future results of operations and financial position, our business strategy and plans and our objectives for future operations, are forward-looking statements. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2023, in “Item 1A. Risk Factors” in Part II of this Quarterly Report on Form 10-Q and in any subsequent filing we make with the SEC, as well as in any documents incorporated by reference that describe risks and factors that could cause results to differ materially from those projected in these forward-looking statements.

Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the future events and trends discussed in this Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no duty to update any of these forward-looking statements after completion of this Quarterly Report on Form 10-Q to conform these statements to actual results or revised expectations.

Part I. Financial Information

Item 1. Financial Statements

WORKIVA INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	As of June 30, 2024 (unaudited)	As of December 31, 2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 267,897	$ 256,100
Marketable securities	472,956	557,622
Accounts receivable, net of allowance for doubtful accounts of $1,200 and $1,163 at June 30, 2024 and December 31, 2023, respectively	121,359	125,193
Deferred costs	41,994	39,023
Other receivables	6,877	7,367
Prepaid expenses and other	21,307	23,631
Total current assets	932,390	1,008,936
Property and equipment, net	22,268	24,282
Operating lease right-of-use assets	10,535	12,642
Deferred costs, non-current	40,169	33,346
Goodwill	199,202	112,097
Intangible assets, net	31,533	22,892
Other assets	6,592	4,665
Total assets	$ 1,242,689	$ 1,218,860

WORKIVA INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (continued)
(in thousands, except share and per share amounts)

	As of June 30, 2024	As of December 31, 2023
	(unaudited)	
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$ 8,229	$ 5,204
Accrued expenses and other current liabilities	113,339	97,921
Deferred revenue	384,105	380,843
Finance lease obligations	547	532
Total current liabilities	506,220	484,500
Convertible senior notes, non-current	763,672	762,455
Deferred revenue, non-current	27,694	36,177
Other long-term liabilities	221	178
Operating lease liabilities, non-current	8,856	10,890
Finance lease obligations, non-current	13,773	14,050
Total liabilities	1,320,436	1,308,250
Stockholders' deficit		
Class A common stock, $0.001 par value per share, 1,000,000,000 shares authorized, 51,068,836 and 50,333,435 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	51	50
Class B common stock, $0.001 par value per share, 500,000,000 shares authorized, 3,845,583 and 3,845,583 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively	4	4
Preferred stock, $0.001 par value per share, 100,000,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in-capital	608,804	562,942
Accumulated deficit	(681,876)	(652,641)
Accumulated other comprehensive (loss) income	(4,730)	255
Total stockholders' deficit	(77,747)	(89,390)
Total liabilities and stockholders' deficit	$ 1,242,689	$ 1,218,860

See accompanying notes.

WORKIVA INC.

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue				
Subscription and support	$ 160,735	$ 136,772	$ 315,714	$ 266,436
Professional services	16,768	18,250	37,456	38,775
Total revenue	177,503	155,022	353,170	305,211
Cost of revenue				
Subscription and support	27,945	25,083	55,872	49,216
Professional services	13,227	14,421	26,823	28,806
Total cost of revenue	41,172	39,504	82,695	78,022
Gross profit	136,331	115,518	270,475	227,189
Operating expenses				
Research and development	48,408	42,697	93,903	88,488
Sales and marketing	84,697	71,882	167,330	142,592
General and administrative	26,375	23,627	50,674	65,638
Total operating expenses	159,480	138,206	311,907	296,718
Loss from operations	(23,149)	(22,688)	(41,432)	(69,529)
Interest income	10,336	4,535	20,791	8,252
Interest expense	(3,237)	(1,499)	(6,469)	(3,000)
Other (expense) income, net	(45)	(439)	41	(1,379)
Loss before provision for income taxes	(16,095)	(20,091)	(27,069)	(65,656)
Provision for income taxes	1,453	819	2,166	1,404
Net loss	$ (17,548)	$ (20,910)	$ (29,235)	$ (67,060)
Net loss per common share:				
Basic and diluted	$ (0.32)	$ (0.39)	$ (0.53)	$ (1.25)
Weighted-average common shares outstanding - basic and diluted	55,177,162	54,009,963	55,046,507	53,850,986

See accompanying notes.

WORKIVA INC.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Net loss	$ (17,548)	$ (20,910)	$ (29,235)	$ (67,060)
Other comprehensive (loss) income				
Foreign currency translation adjustment	(728)	308	(3,211)	2,009
Unrealized (loss) gain on available-for-sale securities	(367)	(316)	(1,774)	1,263
Other comprehensive (loss) income	(1,095)	(8)	(4,985)	3,272
Comprehensive loss	$ (18,643)	$ (20,918)	$ (34,220)	$ (63,788)

See accompanying notes.

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands)
(unaudited)

Six Months Ended June 30, 2024

	Common Stock (Class A and B)						
	Shares	Amount	Additional Paid-in-Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Deficit
Balances at December 31, 2023	54,179	$ 54	$ 562,942	$ 255	$ (652,641)	$ (89,390)
Stock-based compensation expense	—	—	23,007	—	—	23,007
Issuance of common stock upon exercise of stock options	19	1	301	—	—	302
Issuance of common stock under employee stock purchase plan	88	—	7,113	—	—	7,113
Issuance of restricted stock units	590	—	—	—	—	—
Tax withholding related to net share settlements of stock-based compensation awards	(91)	—	(8,611)	—	—	(8,611)
Net loss	—	—	—	—	(11,687)	(11,687)
Other comprehensive loss	—	—	—	(3,890)	—	(3,890)
Balances at March 31, 2024	54,785	$ 55	$ 584,752	$ (3,635)	$ (664,328)	$ (83,156)
Stock-based compensation expense	—	—	25,402	—	—	25,402
Issuance of common stock upon exercise of stock options	18	—	290	—	—	290
Issuance of restricted stock units	131	—	—	—	—	—
Tax withholding related to net share settlements of stock-based compensation awards	(20)	—	(1,640)	—	—	(1,640)
Net loss	—	—	—	—	(17,548)	(17,548)
Other comprehensive loss	—	—	—	(1,095)	—	(1,095)
Balances at June 30, 2024	54,914	$ 55	$ 608,804	$ (4,730)	$ (681,876)	$ (77,747)

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT) (continued)

(in thousands)
(unaudited)

	Six Months Ended June 30, 2023					
	Common Stock (Class A and B)					
	Shares	Amount	Additional Paid-in-Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
Balances at December 31, 2022	52,652	$ 53	$ 537,732	$ (6,686)	$ (525,116)	$ 5,983
Stock-based compensation expense	—	—	38,042	—	—	38,042
Issuance of common stock upon exercise of stock options	102	—	1,457	—	—	1,457
Issuance of common stock under employee stock purchase plan	107	—	5,546	—	—	5,546
Issuance of restricted stock units	449	—	—	—	—	—
Tax withholding related to net share settlements of stock-based compensation awards	(78)	—	(7,228)	—	—	(7,228)
Net loss	—	—	—	—	(46,150)	(46,150)
Other comprehensive income	—	—	—	3,280	—	3,280
Balances at March 31, 2023	53,232	$ 53	$ 575,549	$ (3,406)	$ (571,266)	$ 930
Stock-based compensation expense	—	—	20,610	—	—	20,610
Issuance of common stock upon exercise of stock options	47	1	746	—	—	747
Issuance of restricted stock units	266	—	—	—	—	—
Tax withholding related to net share settlements of stock-based compensation awards	(12)	—	(1,212)	—	—	(1,212)
Net loss	—	—	—	—	(20,910)	(20,910)
Other comprehensive loss	—	—	—	(8)	—	(8)
Balances at June 30, 2023	53,533	$ 54	$ 595,693	$ (3,414)	$ (592,176)	$ 157

See accompanying notes.

WORKIVA INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Cash flows from operating activities				
Net loss	$ (17,548)	$ (20,910)	$ (29,235)	$ (67,060)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:				
Depreciation and amortization	2,564	2,867	5,086	5,667
Stock-based compensation expense	25,402	20,610	48,409	58,652
Provision for (recovery of) doubtful accounts	20	(57)	(103)	49
Realized loss on sale of available-for-sale securities, net	—	147	—	708
Amortization of premiums and discounts on marketable securities, net	(3,156)	(1,572)	(6,905)	(2,600)
Amortization of issuance costs and debt discount	609	325	1,217	650
Deferred income tax	4	7	(291)	(3)
Changes in assets and liabilities:				
Accounts receivable	(33,267)	(6,886)	3,680	22,477
Deferred costs	(11,599)	1,362	(10,194)	3,132
Operating lease right-of-use asset	1,172	1,268	2,598	2,563
Other receivables	4,347	(381)	4,541	(286)
Prepaid expenses and other	4,693	(1,705)	2,420	(7,437)
Other assets	(565)	510	(1,655)	436
Accounts payable	(1,884)	(1,088)	2,842	(881)
Deferred revenue	13,079	21,060	(4,447)	11,105
Operating lease liability	(966)	(1,207)	(1,953)	(2,379)
Accrued expenses and other liabilities	17,081	11,629	8,820	6,749
Net cash (used in) provided by operating activities	(14)	25,979	24,830	31,542
Cash flows from investing activities				
Purchase of property and equipment	(108)	(639)	(311)	(837)
Purchase of marketable securities	(34,986)	(51,204)	(151,553)	(177,019)
Sale of marketable securities	—	21,339	4,609	65,052
Maturities of marketable securities	107,100	8,000	236,740	39,905
Acquisitions, net of cash acquired	(98,280)	—	(98,280)	—
Purchase of intangible assets	(41)	(40)	(72)	(119)
Net cash used in investing activities	(26,315)	(22,544)	(8,867)	(73,018)

WORKIVA INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)
(in thousands)
(unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cash flows from financing activities				
Proceeds from option exercises	290	747	592	2,204
Taxes paid related to net share settlements of stock-based compensation awards	(1,640)	(1,212)	(10,251)	(8,440)
Proceeds from shares issued in connection with employee stock purchase plan	—	—	7,113	5,546
Principal payments on finance lease obligations	(132)	(125)	(261)	(249)
Net cash used in financing activities	(1,482)	(590)	(2,807)	(939)
Effect of foreign exchange rates on cash	(358)	609	(1,465)	1,157
Net (decrease) increase in cash, cash equivalents and restricted cash	(28,169)	3,454	11,691	(41,258)
Cash, cash equivalents and restricted cash at beginning of period	296,581	195,485	256,721	240,197
Cash, cash equivalents and restricted cash at end of period	$ 268,412	$ 198,939	$ 268,412	$ 198,939
Supplemental cash flow disclosure				
Cash paid for interest	$ 197	$ 204	$ 5,102	$ 2,350
Cash paid for income taxes, net of refunds	$ 2,181	$ 1,198	$ 3,133	$ 1,521
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets				
Cash and cash equivalents at end of period	$ 267,897	$ 198,939	$ 267,897	$ 198,939
Restricted cash included within prepaid expenses and other at end of period	515	—	$ 515	$ —
Total cash, cash equivalents, and restricted cash at end of period shown in the consolidated statements of cash flows	$ 268,412	$ 198,939	$ 268,412	$ 198,939

See accompanying notes.

WORKIVA INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Organization and Significant Accounting Policies

Organization

Workiva Inc., a Delaware corporation, and its wholly-owned subsidiaries (the "Company" or "we" or "us") is on a mission to power transparent reporting for a better world. We believe that all stakeholders, including consumers, employees, shareholders, and regulators expect more from business – more action, transparency, and disclosure of financial and non-financial information. We build solutions to meet that demand and streamline processes, connect data and teams, and ensure consistency – all within the Workiva platform, the world's leading cloud platform for assured integrated reporting. Our operational headquarters are located in Ames, Iowa, with additional offices located in the United States, Europe, the Asia-Pacific region and Canada.

Basis of Presentation and Principles of Consolidation

The financial information presented in the accompanying unaudited condensed consolidated financial statements has been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and in accordance with rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. The condensed consolidated balance sheet data as of December 31, 2023 was derived from audited financial statements, but does not include all disclosures required by U.S. GAAP. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting primarily of normal recurring accruals, necessary for a fair presentation of our financial position and results of operations. The operating results for the three and six months ended June 30, 2024 are not necessarily indicative of the results expected for the full year ending December 31, 2024.

Seasonality affects our revenue, expenses and cash flows from operations. Revenue from professional services is generally higher in the first quarter as many of our customers file their 10-K in the first calendar quarter. Our sales and marketing expense also has some degree of seasonality. Sales and marketing expenses have historically been higher in the third quarter due to our annual user conference in September. In addition, the timing of cash bonus payments to employees during the first and fourth calendar quarters may result in some seasonality in operating cash flow. The condensed consolidated financial information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in this report and the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on February 20, 2024.

The unaudited condensed consolidated financial statements include the accounts of Workiva Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires us to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and various other assumptions believed to be reasonable. These estimates include, but are not limited to, the allowance for doubtful accounts, the determination of the relative selling prices of our services, the measurement of material rights, health insurance claims incurred but not yet reported, valuation of available-for-sale marketable securities, useful lives of deferred contract costs, intangible assets and property and equipment, goodwill, income taxes, discount rates used in the valuation of right-of-use assets and lease liabilities, and certain assumptions used in the valuation of equity awards. While these estimates are based on our best knowledge of current events and actions that may affect us in the future, actual results may differ materially from these estimates.

Recently Adopted Accounting Pronouncements

None.

New Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands disclosures about a public entity's reportable segments and requires more enhanced information about a reportable segment's expenses, interim segment profit or loss, and how a public entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The standard is effective for annual periods beginning after December 15, 2023, with early adoption permitted. We are assessing the effect of adopting this standard on our consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which expands disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. The standard is effective for annual periods beginning after December 15, 2024, with early adoption permitted. We are assessing the effect of adopting this standard on our consolidated financial statements and related disclosures.

2. Supplemental Consolidated Balance Sheet Information

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of June 30, 2024	As of December 31, 2023
Accrued vacation	$ 18,908	$ 15,356
Accrued commissions	15,796	11,969
Accrued bonuses	16,268	6,825
Accrued payroll	7,301	7,206
Estimated health insurance claims	2,685	3,462
Accrued interest	3,190	3,510
ESPP employee contributions	7,627	7,540
Customer deposits	23,537	24,763
Operating lease liabilities	4,457	5,256
Accrued other liabilities	13,570	12,034
	$ 113,339	$ 97,921

3. Cash Equivalents and Marketable Securities

At June 30, 2024, cash equivalents and marketable securities consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
Money market funds	$ 146,211	$ —	$ —	$ 146,211
Commercial paper	9,857	—	—	9,857
U.S. treasury debt securities	222,378	27	(360)	222,045
U.S. government agency debt securities	89,874	4	(131)	89,747
Corporate debt securities	153,605	51	(370)	153,286
	$ 621,925	$ 82	$ (861)	$ 621,146
Included in cash and cash equivalents	$ 148,190	$ —	$ —	$ 148,190
Included in marketable securities	$ 473,735	$ 82	$ (861)	$ 472,956

At December 31, 2023, cash equivalents and marketable securities consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
Money market funds	$ 108,826	$ —	$ —	$ 108,826
Commercial paper	56,115	—	—	56,115
U.S. treasury debt securities	224,136	531	(80)	224,587
U.S. government agency debt securities	110,036	256	(15)	110,277
Corporate debt securities	165,341	497	(187)	165,651
Foreign government debt securities	999	—	(7)	992
	$ 665,453	$ 1,284	$ (289)	$ 666,448
Included in cash and cash equivalents	$ 108,826	$ —	$ —	$ 108,826
Included in marketable securities	$ 556,627	$ 1,284	$ (289)	$ 557,622

The contractual maturities of the investments classified as marketable securities are as follows (in thousands):

	As of June 30, 2024
Due within one year	$ 334,821
Due in one to two years	138,135
	$ 472,956

The following table presents gross unrealized losses and fair values for those cash equivalents and marketable securities that were in an unrealized loss position as of June 30, 2024, aggregated by investment category and the length of time that individual securities have been in a continuous loss position (in thousands):

	As of June 30, 2024			
	Less than 12 months		12 months or greater	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. treasury debt securities	$ 177,186	$ (325)	$ 8,949	$ (35)
U.S. government agency debt securities	75,128	(131)	—	—
Corporate debt securities	106,724	(327)	13,629	(43)
Total	$ 359,038	$ (783)	$ 22,578	$ (78)

We do not believe the unrealized losses represent credit losses based on our evaluation of available evidence as of June 30, 2024, which includes an assessment of whether it is more likely than not we will be required to sell the investment before recovery of the investment's amortized cost basis.

4. Fair Value Measurements

We determine the fair values of our financial instruments based on the fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value assumes that the transaction to sell the asset or transfer the liability occurs in the principal or most advantageous market for the asset or liability and establishes that the fair value of an asset or liability shall be determined based on the assumptions that market participants would use in pricing the asset or liability. The classification of a financial asset or liability within the hierarchy is based upon the lowest level input that is significant to the fair value measurement. The fair value hierarchy prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 - Inputs are unobservable inputs based on our assumptions.

Financial Assets

Cash equivalents primarily consist of AAA-rated money market funds with overnight liquidity and no stated maturities. We classified cash equivalents as Level 1 due to the short-term nature of these instruments and measured the fair value based on quoted prices in active markets for identical assets.

When available, our marketable securities are valued using quoted prices for identical instruments in active markets. If we are unable to value our marketable securities using quoted prices for identical instruments in active markets, we value our investments using broker reports that utilize quoted market prices for comparable instruments. We validate, on a sample basis, the derived prices provided by the brokers by comparing their assessment of the fair values of our investments against the fair values of the portfolio balances of another third-party professional pricing service. As of June 30, 2024, all of our marketable securities were valued using quoted prices for comparable instruments in active markets and are classified as Level 2.

Based on our valuation of our money market funds and marketable securities, we concluded that they are classified in either Level 1 or Level 2, and we have no financial assets measured using Level 3 inputs on a recurring basis. The following table presents information about our assets that are measured at fair value on a recurring basis using the above input categories (in thousands):

	Fair Value Measurements as of June 30, 2024			Fair Value Measurements as of December 31, 2023		
Description	**Total**	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**
Money market funds	$ 146,211	$ 146,211	$ —	$ 108,826	$ 108,826	$ —
Commercial paper	9,857	—	9,857	56,115	—	56,115
U.S. treasury debt securities	222,045	—	222,045	224,587	—	224,587
U.S. government agency debt securities	89,747	—	89,747	110,277	—	110,277
Corporate debt securities	153,286	—	153,286	165,651	—	165,651
Foreign government debt securities	—	—	—	992	—	992
	$ 621,146	$ 146,211	$ 474,935	$ 666,448	$ 108,826	$ 557,622
Included in cash and cash equivalents	$ 148,190			$ 108,826		
Included in marketable securities	$ 472,956			$ 557,622		

Convertible Senior Notes

As of June 30, 2024, the fair value of our convertible senior notes due in 2026 and 2028 was $78.2 million and $613.8 million, respectively. The fair value was determined based on the quoted price of the convertible senior notes in an over-the-counter market on the last trading day of the reporting period and has been classified as Level 2 in the fair value hierarchy. See Note 5 to the condensed consolidated financial statements for more information.

5. Convertible Senior Notes

The following table presents details of our convertible senior notes, which are further discussed below (original principal in thousands):

	Month Issued	Maturity Date	Free Convertibility Date	Redemption Date	Original Principal (including overallotment)	Initial Conversion Rate per $1,000 Principal	Initial Conversion Price
2026 Notes	August 2019	August 15, 2026	May 15, 2026	August 21, 2023	$ 345,000	12.4756	$ 80.16
2028 Notes	August 2023	August 15, 2028	May 15, 2028	August 21, 2026	$ 702,000	7.4690	$ 133.89

In August 2019, we issued $345.0 million aggregate principal amount of 1.125% convertible senior notes due 2026 in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, including the exercise in full by the initial purchasers of their option to purchase an additional $45.0 million principal amount (the "2026 Notes”). The 2026 Notes bear interest at a fixed rate of 1.125% per annum, payable semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2020. Proceeds from the issuance of the 2026 Notes totaled $335.9 million, net of initial purchaser discounts and issuance costs.

In August 2023, we issued $702.0 million aggregate principal amount of 1.250% convertible senior notes due 2028 in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended, including the partial exercise of 77.0 million principal amount by the initial purchasers of their option to purchase up to an additional $100 million principal amount (the "2028 Notes”). The 2028 Notes bear interest at a fixed rate of 1.250% per annum, payable semi-annually in arrears on February 15 and August 15 of each year, commencing on February 15, 2024. Proceeds from the issuance of the 2028 Notes totaled $691.1 million, net of initial purchaser discounts and issuance costs.

The 2026 Notes and the 2028 Notes are together referred to as the "Notes".

The Notes were issued pursuant to an indenture and are senior, unsecured obligations of the Company. The 2028 Notes will rank equally with all of the Company’s existing and future senior unsecured indebtedness, including the Company’s outstanding 2026 Notes.

Holders of the Notes may convert all or a portion of their Notes prior to the close of business on their respective Free Convertibility dates, in multiples of $1,000 principal amount, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter in which the respective Notes were issued (and only during such calendar quarter), if the last reported sale price of our Class A common stock, par value $0.001 per share (which we refer to in this offering memorandum as our “Class A common stock”), for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on, and including, the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price on each applicable trading day;

- during the five consecutive business day period immediately following any ten consecutive trading day period (the "measurement period") in which the trading price (as defined below) per $1,000 principal amount of Notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our Class A common stock and the conversion rate on each such trading day;
- if we call any or all of the Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date; or
- upon the occurrence of certain specified corporate events as set forth in the relevant indenture.

On or after the relevant Free Convertibility Date, holders of the Notes may convert their Notes at any time until the close of business on the second scheduled trading day immediately preceding the maturity date of the Notes.

Upon conversion, we will pay or deliver, as the case may be, cash, shares of our Class A common stock or a combination of cash and shares of our Class A common stock, at our election, in the manner and subject to the terms and conditions provided in the indenture.

The Company may redeem for cash all or any portion of the Notes, at its option, on or after the respective Redemption Date, if the last reported sale price of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period (including the last trading day of such period) ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption price equal to 100% of the principal amount of the Notes to be redeemed, plus any accrued and unpaid interest to, but excluding, the respective Redemption Date.

During the second quarter of 2024 none of the conversion conditions were met and therefore the Notes are not convertible at the option of the holders. As a result, the Notes were classified as non-current liabilities on the condensed consolidated balance sheet as of June 30, 2024.

Interest expense representing the amortization of issuance costs as well as contractual interest expense is amortized to interest expense at an effective interest rate of 1.5% and 1.6% over the term of the 2026 Notes and 2028 Notes, respectively.

As of June 30, 2024, the remaining life of the 2026 Notes and 2028 Notes were approximately 2.1 years and 4.2 years, respectively.

The net carrying amount of the Notes was as follows (in thousands):

	June 30, 2024		December 31, 2023	
	2026 Notes	**2028 Notes**	**2026 Notes**	**2028 Notes**
Principal	$ 71,242	$ 702,000	$ 71,242	$ 702,000
Unamortized issuance costs	(576)	(8,994)	(711)	(10,076)
Net carrying amount	$ 70,666	$ 693,006	$ 70,531	$ 691,924

Interest expense related to the Notes was as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Contractual interest expense	$ 2,394	$ 970	$ 4,788	$ 1,940
Amortization of issuance costs	609	325	1,217	650
Total interest expense	$ 3,003	$ 1,295	$ 6,005	$ 2,590

6. Commitments and Contingencies

Litigation

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We evaluate the development of legal matters on a regular basis and accrue a liability when we believe a loss is probable and the amount can be reasonably estimated. Although the results of litigation and claims cannot be predicted with certainty, we currently believe that the final outcome of any currently pending legal proceedings to which we are a party will not have a material adverse effect on our business, operating results, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

7. Stock-Based Compensation

We grant stock-based incentive awards to attract, motivate and retain qualified employees, non-employee directors and consultants, and to align their financial interests with those of our stockholders. We utilize stock-based compensation in the form of restricted stock units, performance restricted stock units, options to purchase Class A common stock and Employee Stock Purchase Plan ("ESPP") purchase rights. Prior to our corporate conversion in December 2014, awards were provided under the 2009 Unit Incentive Plan (“the 2009 Plan”). The 2009 Plan was amended to provide that no further awards will be issued thereunder, and our board of directors and stockholders adopted and approved our 2014 Equity Incentive Plan (“the 2014 Plan” and, together with the 2009 Plan, “the Plans”).

On May 30, 2024, stockholders approved an amendment to the 2014 Plan that increased the number of shares available for grant by 3,900,000. As of June 30, 2024, 5,212,217 shares of Class A common stock were available for grant under the 2014 Plan.

Stock-Based Compensation Expense

Stock-based compensation expense was recorded in the following cost and expense categories consistent with the respective employee or service provider’s related cash compensation (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Cost of revenue				
Subscription and support	$ 1,943	$ 1,413	$ 3,544	$ 2,485
Professional services	763	667	1,490	1,300
Operating expenses				
Research and development	5,152	4,825	9,793	9,522
Sales and marketing	8,490	6,703	16,528	13,661
General and administrative	9,054	7,002	17,054	31,684
Total	$ 25,402	$ 20,610	$ 48,409	$ 58,652

Stock Options

The following table summarizes the option activity under the Plans for the six months ended June 30, 2024:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)
Outstanding at December 31, 2023	1,211,619	$ 14.46	2.3
Granted	—	—	
Forfeited	—	—	
Expired	—	—	
Exercised	(37,265)	15.87	
Outstanding at June 30, 2024	1,174,354	$ 14.41	1.8
Exercisable at June 30, 2024	1,174,354	$ 14.41	1.8

Restricted Stock Units and Performance Restricted Stock Units

The following table summarizes the restricted stock unit and performance restricted stock unit activity under the Plans for the six months ended June 30, 2024:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	2,198,411	$ 97.17
Granted	1,115,127	92.39
Forfeited	(102,589)	96.39
Vested[(1)]	(705,626)	94.17
Unvested at June 30, 2024	2,505,323	$ 95.97

(1) During the six months ended June 30, 2024, in accordance with our Nonqualified Deferred Compensation Plan, recipients of 3,325 shares elected to defer settlement of their vested restricted stock units and 18,919 shares were released from deferral.

Employee Stock Purchase Plan

During the six months ended June 30, 2024, 88,047 shares of common stock were purchased under the ESPP at a weighted-average price of $80.79 per share, resulting in cash proceeds of $7.1 million.

Compensation expense associated with ESPP purchase rights is recognized on a straight-line basis over the vesting period. At June 30, 2024, there was approximately $0.2 million of total unrecognized compensation expense related to the ESPP, which is expected to be recognized over a weighted-average period of 12 days.

8. Revenue Recognition

Disaggregation of Revenue

The following table presents our revenues disaggregated by type of good or service (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Subscription and support	$ 160,735	$ 136,772	$ 315,714	$ 266,436
XBRL professional services	14,027	14,431	31,620	31,164
Other services	2,741	3,819	5,836	7,611
Total revenues	$ 177,503	$ 155,022	$ 353,170	$ 305,211

Deferred Revenue

We recognized $145.2 million and $122.5 million of revenue during the three months ended June 30, 2024 and 2023, respectively, that was included in the deferred revenue balances at the beginning of the respective periods. We recognized $254.5 million and $212.6 million of revenue during the six months ended June 30, 2024 and 2023, respectively, that was included in the deferred revenue balances at the beginning of the respective periods.

Transaction Price Allocated to the Remaining Performance Obligations

As of June 30, 2024, we expect revenue of approximately $994.6 million to be recognized from remaining performance obligations for subscription contracts. We expect to recognize approximately $543.7 million of these remaining performance obligations over the next 12 months with the balance substantially recognized in the 24 months thereafter.

9. Intangible Assets and Goodwill

The following table presents the components of net intangible assets (in thousands):

	As of June 30, 2024				As of December 31, 2023		
	Weighted Average Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired technology	4.7	$ 26,261	$ (9,233)	$ 17,028	$ 15,949	$ (7,471)	$ 8,478
Acquired customer-related	10.0	16,319	(3,442)	12,877	15,427	(2,769)	12,658
Acquired trade names	2.9	2,152	(1,781)	371	2,172	(1,721)	451
Patents	10.0	3,222	(1,965)	1,257	3,150	(1,845)	1,305
Total	6.8	$ 47,954	$ (16,421)	$ 31,533	$ 36,698	$ (13,806)	$ 22,892

Amortization expense related to intangible assets was $1.4 million and $1.5 million for the three months ended June 30, 2024 and 2023, respectively, and $2.8 million and $3.1 million for the six months ended June 30, 2024 and 2023, respectively.

As of June 30, 2024, expected remaining amortization expense of intangible assets by fiscal year is as follows (in thousands):

Remainder of 2024	$ 3,830
2025	6,926
2026	5,606
2027	4,319
2028	3,885
Thereafter	6,967
Total expected amortization expense	$ 31,533

The changes in the carrying amount of goodwill were as follows (in thousands):

December 31, 2023	$ 112,097
Acquisition	89,410
Foreign currency translation adjustments	(2,305)
June 30, 2024	$ 199,202

10. Net Loss Per Share

Net loss per share is allocated based on the contractual participation rights of the Class A and Class B common shares as if the loss for the year has been distributed. As the liquidation and dividend rights are identical, the net loss is allocated on a proportionate basis.

A reconciliation of the denominator used in the calculation of basic and diluted loss per share is as follows (in thousands, except share and per share data):

	Three months ended			
	June 30, 2024		June 30, 2023	
	Class A	Class B	Class A	Class B
Numerator				
Net loss	$ (16,325)	$ (1,223)	$ (19,421)	$ (1,489)
Denominator				
Weighted-average common shares outstanding - basic and diluted	51,331,579	3,845,583	50,164,380	3,845,583
Basic and diluted net loss per share	$ (0.32)	$ (0.32)	$ (0.39)	$ (0.39)

	Six months ended			
	June 30, 2024		June 30, 2023	
	Class A	Class B	Class A	Class B
Numerator				
Net loss	$ (27,193)	$ (2,042)	$ (62,253)	$ (4,807)
Denominator				
Weighted-average common shares outstanding - basic and diluted	51,200,924	3,845,583	49,990,734	3,860,252
Basic and diluted net loss per share	$ (0.53)	$ (0.53)	$ (1.25)	$ (1.25)

The anti-dilutive securities excluded from the weighted-average shares used to calculate the diluted net loss per common share were as follows:

	As of	
	June 30, 2024	June 30, 2023
Shares subject to outstanding common stock options	1,174,354	1,359,116
Shares subject to unvested restricted stock units and performance restricted stock units	2,505,323	2,261,742
Shares issuable pursuant to the ESPP	96,271	96,892
Shares underlying our convertible senior notes	6,132,025	4,304,082

11. Acquisitions

On June 17, 2024, we acquired all of the issued and outstanding equity interests in Sustain.Life, Inc. ("Sustain.Life"), a leading provider of carbon accounting solutions to launch Workiva Carbon, for $98.3 million net of cash acquired of $0.3 million. Workiva Carbon is an audit-ready carbon accounting solution that helps organizations measure, manage, track, and report carbon emissions, including data from third-party supply chain partners. Coupled with Workiva's ESG reporting solution, companies can now collect key business data, calculate critical metrics, set data-driven ESG strategy, measure progress, and report results all in the Workiva platform.

The transaction was accounted for as a business combination. The purchase price has been preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The fair values of goodwill and definite-lived intangible assets acquired in the acquisition were externally estimated primarily based on the replacement cost approach. The fair values of assets acquired and liabilities assumed may change over the measurement period as additional information is received. The primary area subject to change includes our review of the valuation of intangible assets. We expect to finalize the valuation as soon as practicable, but not later than one year from the acquisition date. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill. The goodwill recognized was primarily attributable to the assembled workforce, operational synergies, and strategic benefits that are expected to be achieved and is not deductible for income tax purposes.

The following table presents a preliminary allocation of the purchase price to the assets acquired and liabilities assumed at the date of acquisition (in thousands):

Cash consideration	$	98,532
Total consideration	$	98,532
Cash	$	251
Accounts receivable, net		384
Other receivables		4,066
Prepaid expenses and other		239
Intangible assets		11,890
Goodwill		89,410
Accounts payable		(211)
Accrued liabilities		(5,194)
Deferred revenue		(1,042)
Other long-term liabilities		(1,261)
Fair value of assets and liabilities	$	98,532

We incurred costs related to the acquisition of approximately $1.1 million during the three months ended June 30, 2024. All acquisition related costs were expensed as incurred and have been recorded in general and administrative expenses in our condensed consolidated statements of operations.

The amount of revenues and net loss from the acquisition included in our condensed consolidated statements of operations for the three and six months ended June 30, 2024 were not material.

12. Subsequent Events

On July 30, 2024, our board of directors authorized a share repurchase program to repurchase up to $100.0 million of the Company's outstanding Class A common stock. Under this new program, the Company may purchase its Class A common stock from time to time in the open market or through privately negotiated transactions, pursuant to Rule 10b5-1 trading plans or other available means, each in compliance with Rule 10b-18 under the Exchange Act. The timing, manner, price, and amount of the repurchase will be subject to the discretion of the Company's management. The repurchase program does not obligate the Company to acquire any particular amount of Class A common stock, and it may be suspended or discontinued at any time.

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

The following discussion and analysis of our financial condition and results of our operations should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this report and in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 20, 2024. In addition to historical consolidated financial information, this discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to these differences include, but are not limited to, those identified below, and those discussed in "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023, in "Item 1A. Risk Factors" in Part II of this Quarterly Report on Form 10-Q and in any subsequent filing we make with the SEC.

Overview

Workiva's mission is to power transparent reporting for a better world. We believe that all stakeholders, including consumers, employees, shareholders, and regulators, expect more from business – more action, transparency, and disclosure of financial and non-financial information. We build solutions to meet that demand and streamline processes, connect data and teams, and ensure consistency – all within the Workiva platform, the world's leading cloud platform for assured integrated reporting. Additionally, we offer the only unified software-as-a-service ("SaaS") platform that brings customers' financial reporting, Environmental, Social, and Governance ("ESG"), and Governance, Risk, and Compliance ("GRC") together in a controlled, secure, audit-ready platform.

From data to disclosure, the Workiva platform empowers customers by connecting and transforming data from hundreds of enterprise resource planning ("ERP"), human capital management ("HCM"), and customer relationship management ("CRM") systems, as well as other third-party cloud and on-premise applications. Customers use our platform to create, review and publish data-linked documents, presentations, and reports with greater control, consistency, accuracy, and productivity. Our platform is flexible and scalable, so customers can easily adapt it to define, automate, and change their business processes in real time.

Workiva provides more than 6,100 organizations across the globe with SaaS platform solutions to help solve some of the most complex reporting and disclosure challenges. While our customers use our platform for more than 100 different use cases, across dozens of vertical industries, we organize our sales and marketing resources into three purpose-built solution groups (Financial Reporting, ESG, and GRC) focusing primarily on the office of the Chief Financial Officer ("CFO"), Chief Sustainability Officer ("CSO"), and Chief Audit Executive ("CAE").

We operate our business on a SaaS model. Customers enter into annual and multi-year subscription contracts to gain access to our platform. Our subscription fee includes the use of our software and technical support. Our subscription pricing is based primarily on a solution-based licensing model. Under this model, operating metrics related to a customer's expected use of each solution determine the price. We charge customers additional fees primarily for document setup and XBRL tagging services.

We generate sales primarily through our direct sales force. In addition, we augment our direct sales channel with partnerships. Our advisory and service partners offer a wider range of domain and functional expertise that broadens the capabilities of our platform, bringing scale and support to customers and prospects. Our technology partners enable more data and process integrations to help customers connect critical transactional systems directly to our platform.

We continue to invest in the development of our solutions, infrastructure and sales and marketing to drive long-term growth. Our full-time employee headcount expanded to 2,680 at June 30, 2024 from 2,508 at June 30, 2023, an increase of 6.9%.

We have achieved significant revenue growth in recent periods. Our revenue grew to $177.5 million and $353.2 million during the three and six months ended June 30, 2024, respectively from $155.0 million and $305.2 million during the three and six months ended June 30, 2023, respectively. We incurred net losses of $17.5 million and $29.2 million during the three and six months ended June 30, 2024, respectively compared to $20.9 million and $67.1 million during the three and six months ended June 30, 2023, respectively.

We continue to invest for future growth and are focused on several key drivers, including focusing on multi-solution adoption by new and existing customers, further developing our partner program, accelerating international expansion and our fit-for-purpose solutions. These growth drivers often require a more sophisticated go-to-market approach and, as a result, we may incur additional costs upfront to obtain new customers and expand our relationships with existing customers, including additional sales and marketing expenses.

Recent Business Developments

On June 17, 2024, we acquired all of the issued and outstanding equity interests in Sustain.Life, a leading provider of carbon accounting solutions to launch Workiva Carbon. Workiva Carbon is an audit-ready carbon accounting solution that helps organizations measure, manage, track, and report carbon emissions, including data from third-party supply chain partners. Coupled with Workiva's ESG reporting solution, companies can now collect key business data, calculate critical metrics, set data-driven ESG strategy, measure progress, and report results all in the Workiva platform. See Note 11 to the condensed consolidated financial statements for more information.

Effects of Volatility in the IPO/SPAC Markets

In the United States, volatility in the public markets has led to a decrease in the number of initial public offerings (“IPOs”) and special-purpose acquisition companies (“SPACs”) since fiscal year 2022. New sales of our SEC and capital markets solutions were adversely affected by this decline in the IPO and SPAC markets. We expect reduced valuation multiples caused by higher interest rates, inflation, and geopolitical instability to continue to negatively impact the number of IPOs and SPACs in fiscal year 2024. Whether and to what extent the IPO and SPAC markets will moderate cannot be accurately predicted.

Key Factors Affecting Our Performance

Generate Growth From Existing Customers. The Workiva platform can exhibit a powerful network effect within an enterprise, meaning that the usefulness of our platform attracts additional users. Since solution-based licensing offers our customers an unlimited number of seats for each solution purchased, we expect customers to add more seats over time. As more employees in an enterprise use our platform, additional opportunities for collaboration and automation drive demand among their colleagues for additional solutions.

Pursue New Customers. We sell to organizations that manage large, complex processes with distributed teams of contributors and disparate sets of business data. We market our platform to professionals and executives in the areas of financial and non-financial reporting, including regulatory, multi-entity and performance reporting. In addition, we market to teams responsible for environmental, social and governance reporting, and governance, risk and compliance programs. We intend to continue to build our sales and marketing organization and leverage our brand equity to attract new customers.

Offer More Solutions. We intend to introduce new solutions to continue to meet growing demand for our platform. Our close and trusted relationships with our customers are a source for new use cases, features and solutions. We have a disciplined process for tracking, developing and releasing new solutions that are designed to have immediate, broad applicability; a strong value proposition; and a high return on investment for both Workiva and our customers. Our advance planning team assesses customer needs, conducts industry-based research and defines new markets. This vetting process involves our sales, product marketing, customer success, professional services, research and development, finance and senior management teams.

Expand Across Enterprises. Our success in delivering multiple solutions has created demand from customers for a broader-based, enterprise-wide Workiva platform. In response, we have been improving our technology and realigning sales and marketing to capitalize on our growing enterprise-wide opportunities. We believe this expansion will add seats and revenue and continue to support our high revenue retention rates. However, we expect that enterprise-wide deals will be larger and more complex, which tend to lengthen the sales cycle.

Add Partners. We continue to expand and deepen our relationships with global and regional partners, including consulting firms, system integrators, large and mid-sized independent software vendors, and implementation partners. Our advisory and service partners offer a wider range of domain and functional expertise that broadens our platform’s capabilities and promotes Workiva as part of the digital transformation projects they drive for their customers. Our technology partners enable powerful data and process integrations to help customers connect critical transactional systems directly to our platform, with powerful linking, auditability and control features. We believe that our partner ecosystem extends our global reach, accelerates the usage and adoption of our platform, and enables more efficient delivery of professional services.

Investment in growth. We plan to continue to invest in the development of our platform, fit-for-purpose solutions and application marketplace to enhance our current offerings and build new features. In addition, we expect to continue to invest in our sales, marketing, professional services and customer success organizations to drive additional revenue and support the needs of our growing customer base and to take advantage of opportunities that we have identified in Europe, the Middle East and Africa ("EMEA") and Asia-Pacific ("APAC") regions.

Seasonality. Our revenue from professional services has some degree of seasonality. Many of our customers employ our professional services just before they file their Form 10-K, often in the first calendar quarter. Our sales and marketing expense also has some degree of seasonality. Sales and marketing expenses have historically been higher in the third quarter due to our annual user conference in September. In addition, the timing of the payments of cash bonuses to employees during the first and fourth calendar quarters may result in some seasonality in operating cash flow.

Key Performance Indicators

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(dollars in thousands)			
Financial metrics				
Total revenue	$ 177,503	$ 155,022	$ 353,170	$ 305,211
Percentage increase in total revenue	14.5 %	17.8 %	15.7 %	16.8 %
Subscription and support revenue	$ 160,735	$ 136,772	$ 315,714	$ 266,436
Percentage increase in subscription and support revenue	17.5 %	20.7 %	18.5 %	20.8 %
Subscription and support as a percent of total revenue	90.6 %	88.2 %	89.4 %	87.3 %

	As of June 30,	
	2024	2023
Operating metrics		
Number of customers	6,147	5,860
Subscription and support revenue retention rate	97.6%	97.6%
Subscription and support revenue retention rate including add-ons	109.2%	111.1%
Number of customers with annual contract value $100k+	1,768	1,470
Number of customers with annual contract value $150k+	1,015	823
Number of customers with annual contract value $300k+	356	272

Total customers. We believe total number of customers is a key indicator of our financial success and future revenue potential. We define a customer as an entity with an active subscription contract as of the measurement date. Our customer is typically a parent company or, in a few cases, a significant subsidiary that works with us directly. Companies with publicly-listed securities account for a substantial majority of our customers. Our customer count as of June 30, 2024 does not include Sustain.Life.

Subscription and support revenue retention rate. We calculate our subscription and support revenue retention rate based on all customers that were active at the end of the same calendar quarter of the prior year ("base customers"). We begin by annualizing the subscription and support revenue recorded in the same calendar quarter of the prior year for those base customers who are still active at the end of the current quarter. We divide the result by the annualized subscription and support revenue in the same quarter of the prior year for all base customers.

Our subscription and support revenue retention rate was 97.6% as of June 30, 2024, which remained flat from June 30, 2023. We believe that our success in maintaining a high rate of revenue retention is attributable primarily to our robust technology platform and strong customer service. Customers whose securities were deregistered due to merger or acquisition or financial distress accounted for just over half of our revenue attrition in the latest quarter.

Subscription and support revenue retention rate including add-ons. Add-on revenue includes the change in both solutions and pricing for existing customers. We calculate our subscription and support revenue retention rate including add-ons by annualizing the subscription and support revenue recorded in the current quarter for our base customers that were active at the end of the current quarter. We divide the result by the annualized subscription and support revenue in the same quarter of the prior year for all base customers.

Our subscription and support revenue retention rate including add-ons was 109.2% as of the quarter ended June 30, 2024, down from 111.1% as of June 30, 2023.

Annual contract value. Our annual contract value ("ACV") for each customer is calculated by annualizing the subscription and support revenue recognized during each quarter. We believe the increase in the number of larger contracts shows our progress in expanding our customers' adoption of our platform.

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Subscription and support revenue from customers with annual contract value of $100k+ as a percent of total subscription and support revenue	69.6%	65.7%	69.4%	64.8%
Subscription and support revenue from customers with annual contract value of $150k+ as a percent of total subscription and support revenue	55.4%	51.4%	55.1%	50.5%
Subscription and support revenue from customers with annual contract value of $300k+ as a percent of total subscription and support revenue	34.7%	31.0%	34.5%	30.5%

Components of Results of Operations

Revenue

We generate revenue through the sale of subscriptions to our cloud-based software and the delivery of professional services. We serve a wide range of customers in many industries, and our revenue is not concentrated with any single customer or small group of customers. For the six months ended June 30, 2024 and 2023, no single customer represented more than 1% of our revenue, and our largest 10 customers accounted for less than 10% of our revenue in the aggregate.

We generate sales directly through our sales force and partners. We also identify some sales opportunities with existing customers through our customer success and professional services teams.

Our customer contracts typically range in length from one year to three years. We typically invoice our customers for subscription fees annually in advance. For contracts with a two or three year term, customers sometimes elect to pay the entire multi-year subscription term in advance. Our arrangements do not contain general rights of return.

Subscription and Support Revenue. We recognize subscription and support revenue on a ratable basis over the contract term beginning on the date that our service is made available to the customer. Amounts that are invoiced are initially recorded as deferred revenue.

Professional Services Revenue. We believe our professional services facilitate the sale of our subscription service to certain customers. To date, most of our professional services have consisted of document set up, XBRL tagging, and consulting to help our customers with business processes and best practices for using our platform. Our professional services are not required for customers to utilize our solution. We recognize revenue for document set ups when the service is complete and control has transferred to the customer. Revenues from XBRL tagging and consulting services are recognized as the services are performed.

Cost of Revenue

Cost of revenue consists primarily of personnel and related costs directly associated with our professional services, customer success teams and training personnel, including salaries, benefits, bonuses, travel, and stock-based compensation; the costs of contracted third-party vendors; the costs of third-party hosting fees for server usage by our customers; information technology costs; and facility costs.

Sales and Marketing Expenses

Sales and marketing expenses consist primarily of personnel and related costs, including salaries, benefits, bonuses, commissions, travel, and stock-based compensation. Other costs included in this expense are marketing and promotional events, our annual user conference, online marketing, product marketing, information technology costs, and facility costs. We pay sales commissions for initial contracts and expansions of existing customer contracts. When the relevant amortization period is one year or less, we expense sales commissions as incurred. All other sales commissions are considered incremental costs of obtaining a contract with a customer and are deferred and amortized on a straight-line basis over a period of benefit that we have determined to be three years.

Research and Development Expenses

Research and development expenses consist primarily of personnel and related costs, including salaries, benefits, bonuses, travel,and stock-based compensation; costs of third-party hosting fees for server usage by our developers; information technology costs; and facility costs.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel and related costs for our executive, finance and accounting, legal, human resources, and administrative personnel, including salaries, benefits, bonuses, travel, and stock-based compensation; legal, accounting, and other professional service fees; other corporate expenses; information technology costs; and facility costs.

Results of Operations

The following table sets forth selected consolidated statement of operations data for each of the periods indicated:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Revenue				
Subscription and support	$ 160,735	$ 136,772	$ 315,714	$ 266,436
Professional services	16,768	18,250	37,456	38,775
Total revenue	177,503	155,022	353,170	305,211
Cost of revenue				
Subscription and support(1)	27,945	25,083	55,872	49,216
Professional services(1)	13,227	14,421	26,823	28,806
Total cost of revenue	41,172	39,504	82,695	78,022
Gross profit	136,331	115,518	270,475	227,189
Operating expenses				
Research and development(1)	48,408	42,697	93,903	88,488
Sales and marketing(1)	84,697	71,882	167,330	142,592
General and administrative(1)	26,375	23,627	50,674	65,638
Total operating expenses	159,480	138,206	311,907	296,718
Loss from operations	(23,149)	(22,688)	(41,432)	(69,529)
Interest income	10,336	4,535	20,791	8,252
Interest expense	(3,237)	(1,499)	(6,469)	(3,000)
Other (expense) income, net	(45)	(439)	41	(1,379)
Loss before provision for income taxes	(16,095)	(20,091)	(27,069)	(65,656)
Provision for income taxes	1,453	819	2,166	1,404
Net loss	$ (17,548)	$ (20,910)	$ (29,235)	$ (67,060)

(1) Stock-based compensation expense included in these line items was as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Cost of revenue				
Subscription and support	$ 1,943	$ 1,413	$ 3,544	$ 2,485
Professional services	763	667	1,490	1,300
Operating expenses				
Research and development	5,152	4,825	9,793	9,522
Sales and marketing	8,490	6,703	16,528	13,661
General and administrative	9,054	7,002	17,054	31,684
Total stock-based compensation expense	$ 25,402	$ 20,610	$ 48,409	$ 58,652

The following table sets forth our consolidated statement of operations data as a percentage of revenue for each of the periods indicated:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue				
Subscription and support	90.6 %	88.2 %	89.4 %	87.3 %
Professional services	9.4	11.8	10.6	12.7
Total revenue	100.0	100.0	100.0	100.0
Cost of revenue				
Subscription and support	15.7	16.2	15.8	16.1
Professional services	7.5	9.3	7.6	9.4
Total cost of revenue	23.2	25.5	23.4	25.5
Gross profit	76.8	74.5	76.6	74.5
Operating expenses				
Research and development	27.3	27.5	26.6	29.0
Sales and marketing	47.7	46.4	47.4	46.7
General and administrative	14.9	15.2	14.3	21.5
Total operating expenses	89.9	89.1	88.3	97.2
Loss from operations	(13.1)	(14.6)	(11.7)	(22.7)
Interest income	5.8	2.9	5.9	2.7
Interest expense	(1.8)	(1.0)	(1.8)	(1.0)
Other expense, net	—	(0.3)	—	(0.5)
Loss before provision for income taxes	(9.1)	(13.0)	(7.6)	(21.5)
Provision for income taxes	0.8	0.5	0.6	0.5
Net loss	(9.9)%	(13.5)%	(8.2)%	(22.0)%

Comparison of Three and Six Months Ended June 30, 2024 and 2023

Revenue

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
	(dollars in thousands)					
Revenue						
Subscription and support	$ 160,735	$ 136,772	17.5%	$ 315,714	$ 266,436	18.5%
Professional services	16,768	18,250	(8.1)%	37,456	38,775	(3.4)%
Total revenue	$ 177,503	$ 155,022	14.5%	$ 353,170	$ 305,211	15.7%

Total revenue increased $22.5 million for the three months ended June 30, 2024 compared to the same quarter a year ago due primarily to a $24.0 million increase in subscription and support revenue. Growth in subscription and support revenue in the second quarter was attributable mainly to strong demand and continued solution expansion across our customer base. Revenue from professional services decreased $1.5 million for the three months ended June 30, 2024 compared to the same quarter a year ago. We continue to transition consulting and other services to our partners and expect the revenue growth rate from subscription and support to continue to outpace revenue growth from professional services on an annual basis.

Total revenue increased $48.0 million for the six months ended June 30, 2024 compared to the same period a year ago due primarily to a $49.3 million increase in subscription and support revenue. Growth in subscription and support revenue was attributable mainly to strong demand and continued solution expansion across our customer base. Revenue from professional services decreased $1.3 million for the six months ended June 30, 2024 compared to the same period a year ago. We continue to transition consulting and other services to our partners and expect the revenue growth rate from subscription and support to continue to outpace revenue growth from professional services on an annual basis.

Cost of Revenue

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
			(dollars in thousands)			
Cost of revenue						
Subscription and support	$ 27,945	$ 25,083	11.4%	$ 55,872	$ 49,216	13.5%
Professional services	13,227	14,421	(8.3)%	26,823	28,806	(6.9)%
Total cost of revenue	$ 41,172	$ 39,504	4.2%	$ 82,695	$ 78,022	6.0%

Cost of revenue increased $1.7 million during the three months ended June 30, 2024 compared to the same quarter a year ago. Subscription and support cost of revenue increased $2.9 million due primarily to $2.4 million in higher cash-based compensation and benefits costs and $0.5 million of additional stock-based compensation. The increase in compensation resulted primarily from our continued investment in and support of our platform and solutions. Professional services cost of revenue decreased $1.2 million due primarily to a $0.8 million decrease in cash-based compensation and benefits costs. The decrease was primarily driven by a decrease in employee headcount as we continue to transition consulting and other services to our partners.

Cost of revenue increased $4.7 million during the six months ended June 30, 2024 compared to the same period a year ago. Subscription and support cost of revenue increased $6.7 million due primarily to $4.9 million in higher cash-based compensation and benefits costs, $1.1 million of additional stock-based compensation, and a $0.4 million increase in software expense. The increases in compensation and software expense resulted primarily from our continued investment in and support of our platform and solutions. Professional services cost of revenue decreased $2.0 million due primarily to a $1.6 million decrease in cash-based compensation and benefits costs. The decrease was primarily driven by a decrease in employee headcount as we continue to transition consulting and other services to our partners.

Operating Expenses

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
			(dollars in thousands)			
Operating expenses						
Research and development	$ 48,408	$ 42,697	13.4%	$ 93,903	$ 88,488	6.1%
Sales and marketing	84,697	71,882	17.8%	167,330	142,592	17.3%
General and administrative	26,375	23,627	11.6%	50,674	65,638	(22.8)%
Total operating expenses	$ 159,480	$ 138,206	15.4%	$ 311,907	$ 296,718	5.1%

Research and Development

Research and development expenses increased $5.7 million during the three months ended June 30, 2024 compared to the same quarter a year ago due primarily to $2.0 million in higher cash-based compensation and benefits, $0.3 million of additional stock-based compensation, a $1.9 million increase in travel expense, and a $1.0 million increase in professional service fees. The increases in compensation and professional service fees resulted primarily from our continued investment in and support of our platform and solutions. The increase in travel expense was primarily due to our annual research and development event which was held in the second quarter of 2024. In the prior year the event was held in the first quarter.

Research and development expenses increased $5.4 million during the six months ended June 30, 2024 compared to the same period a year ago due primarily to $4.1 million in higher cash-based compensation and benefits, $0.3 million of additional stock-based compensation, and a $1.0 million increase in professional service fees partially offset by a $0.4 million decrease in software expense. The increases in compensation and professional service fees resulted primarily from our continued investment in and support of our platform and solutions.

Sales and Marketing

Sales and marketing expenses increased $12.8 million during the three months ended June 30, 2024 compared to the same quarter a year ago due primarily to $8.1 million in higher cash-based compensation and benefits, $1.8 million of additional stock-based compensation, a $1.0 million increase in travel expense, a $0.9 million increase in professional service fees, and a $0.8 million increase in marketing and advertising. The increase in compensation was primarily due to an increase in employee headcount as we continue to invest in our go-to-market activities. The increase in travel expense was primarily due to a general increase in travel driven by an increase in employee headcount and our continued investment in our go-to-market activities. The increases in professional service fees and marketing and advertising was the result of our continued investment in and support of our platform and solutions.

Sales and marketing expenses increased $24.7 million during the six months ended June 30, 2024 compared to the same period a year ago due primarily to $16.3 million in higher cash-based compensation and benefits, $2.9 million of additional stock-based compensation, a $2.2 million increase in travel expense, a $1.8 million increase in professional service fees, and a $1.0 million increase in public relations. The increase in compensation was primarily due to an increase in employee headcount and sales commissions as we continue to invest in our go-to-market activities. The increase in travel expense was primarily due to our annual internal sales and marketing event and a general increase in travel driven by an increase in employee headcount and our continued investment in our go-to-market activities. The increases in professional service fees and marketing and advertising was the result of our continued investment in and support of our platform and solutions.

General and Administrative

General and administrative expenses increased $2.7 million during the three months ended June 30, 2024 compared to the same quarter a year ago due primarily to a $0.4 million increase in cash-based compensation and benefits, $2.0 million of additional stock-based compensation, and a $0.9 million increase in professional service fees. In addition, during the second quarter of 2023 we recorded one-time fees of $0.6 million related to the cancellation of certain events which did not recur in the second quarter of 2024. The increase in compensation was primarily due to additional performance-based restricted stock awards issued to executives in the latter part of the first quarter of 2024 and changes in the assumptions associated with the attainment of company-specific performance targets. The remaining increase in compensation was due to a modest increase in employee headcount. The increase in professional service fees was primarily due to costs incurred to acquire Sustain.Life.

General and administrative expenses decreased $15.0 million during the six months ended June 30, 2024 compared to the same period a year ago due primarily to a $1.0 million decrease in cash-based compensation and benefits and a $14.8 million decrease in stock-based compensation partially offset by a $0.6 million increase in professional service fees. In addition, during the six months ended June 30, 2023, we recorded a one-time benefit of $1.0 million related to a goods and services tax refund as well as one-time fees of $0.6 million related to the cancellation of certain events which did not recur in 2024. The decrease in compensation during the first six months of 2024 is primarily due to the recognition of $1.4 million and $18.1 million in cash-based and stock-based compensation, respectively, pursuant to certain transition agreements with former executives during the first quarter of 2023 which did not recur in 2024, partially offset by a modest increase in employee headcount and an increase in performance-based restricted stock expense driven by additional performance-based restricted stock awards issued to executives in the latter part of the first quarter of 2024 and changes in the assumptions associated with the attainment of company-specific performance targets. The increase in professional service fees was primarily due to costs incurred to acquire Sustain.Life.

Non-Operating Income (Expenses)

	Three months ended June 30,			Six months ended June 30,		
	2024	2023	% Change	2024	2023	% Change
			(dollars in thousands)			
Interest income	$ 10,336	$ 4,535	127.9%	$ 20,791	$ 8,252	152.0%
Interest expense	(3,237)	(1,499)	115.9%	(6,469)	(3,000)	115.6%
Other (expense) income, net	(45)	(439)	*	41	(1,379)	*

(*) Percentage is not meaningful.

Interest Income, Interest Expense and Other (Expense) Income, Net

During the three months ended June 30, 2024, interest income increased $5.8 million compared to the same quarter a year ago due primarily to an increase in our investment balance, facilitated by the issuance of our 2028 convertible notes, coupled with higher interest rates. Interest expense increased $1.7 million compared to the same quarter a year ago due primarily to the issuance of our 2028 convertible notes. Other (expense) income, net decreased $0.4 million compared to the same quarter a year ago due primarily to gains on foreign currency transactions as well as losses on the sale of available-for-sale securities from the second quarter of 2023 which did not recur in the second quarter of 2024.

During the six months ended June 30, 2024, interest income increased $12.5 million compared to the same period a year ago due primarily to an increase in our investment balance, facilitated by the issuance of our 2028 convertible notes, coupled with higher interest rates. Interest expense increased $3.5 million compared to the same period a year ago due primarily to the issuance of our 2028 convertible notes. Other (expense) income, net decreased $1.4 million compared to the same period a year ago due primarily to gains on foreign currency transactions as well as losses on the sale of available-for-sale securities from the first six months of 2023 which did not recur in 2024.

Results of Operations for Fiscal 2023 Compared to 2022

For a comparison of our results of operations for the fiscal years ended December 31, 2023 and 2022, see "Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our annual report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 20, 2024.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

As of June 30, 2024, our principal sources of liquidity were cash, cash equivalents and marketable securities totaling $740.9 million, which were held for working capital purposes. We have financed our operations primarily through cash generated from operations and issuances of convertible debts. We have generated significant operating losses as reflected in our accumulated deficit on our condensed consolidated balance sheets. While we expect to continue to incur operating losses and may incur negative cash flows from operations in the future, we believe that current cash and cash equivalents and cash flows from operating activities will be sufficient to fund our operations for at least the next twelve months.

Convertible Debt

In August 2023, we issued $702.0 million aggregate principal amount of 1.250% convertible senior notes due 2028 (the "2028 Notes"). Proceeds from the issuance of the 2028 Notes totaled $691.1 million, net of initial purchaser discounts and issuance costs. We used $396.9 million of the net proceeds from the 2028 Notes offering to repurchase $273.8 million principal amount, together with accrued and unpaid interest thereon, of our 1.125% convertible senior notes due 2026 (the "2026 Notes") in separate and individually negotiated transactions with certain holders. As of June 30, 2024, we had outstanding debt relating to our 2026 Notes and 2028 Notes of $70.7 million and $693.0 million, with corresponding maturity dates of August 15, 2026 and August 15, 2028, respectively.

Cash Flows

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
	(in thousands)			
Cash flow (used in) provided by operating activities	$ (14)	$ 25,979	$ 24,830	$ 31,542
Cash flow used in investing activities	(26,315)	(22,544)	(8,867)	(73,018)
Cash flow used in financing activities	(1,482)	(590)	(2,807)	(939)
Net (decrease) increase in cash, cash equivalents and restricted cash, net of impact of exchange rates	$ (28,169)	$ 3,454	$ 11,691	$ (41,258)

Operating Activities

Our largest source of operating cash is cash collections from customers for subscription and support access to our platform. Our primary uses of cash from operating activities are for personnel-related expenditures, marketing activities, and costs of cloud infrastructure services.

Cash used in operating activities was flat for the three months ended June 30, 2024 and consisted of a net loss of $17.5 million adjusted for non-cash charges of $25.4 million and net cash outflows of $7.9 million from changes in operating assets and liabilities. Net cash used in operating activities was primarily due to an increase in accounts receivable driven by an increase in large contracts that were signed toward the end of the period and timing of collections from customers. The increase in large contracts also drove an increase in deferred costs, partially offset by the related increase in deferred revenue. The decreases in accounts payable, prepaid expenses, and other receivables as well as the increases in accrued expenses and other liabilities were attributable primarily to the timing of cash payments and collections.

Cash provided by operating activities of $26.0 million for the three months ended June 30, 2023 consisted of a net loss of $20.9 million adjusted for non-cash charges of $22.3 million and net cash inflows of $24.6 million from changes in operating assets and liabilities. Customer growth and contract renewals for longer terms accounted for most of the increase in deferred revenue. Deferred costs decreased primarily due to the amortization of direct and incremental costs of obtaining a customer contract. The increases in accounts receivable, prepaid expenses, and accrued expenses and other liabilities as well as the decrease in accounts payable were attributable primarily to the timing of our billings, cash collections, and cash payments.

Cash provided by operating activities of $24.8 million for the six months ended June 30, 2024 consisted of a net loss of $29.2 million adjusted for non-cash charges of $47.4 million and net cash inflows of $6.7 million from changes in operating assets and liabilities. The change in operating assets and liabilities was driven by a decrease in deferred revenue which was due in part to a reduction of multi-year prepaid customer contracts and timing of contract negotiations. The increase in deferred costs was primarily due to growth in subscription bookings. The increases in other assets, accounts payable, and accrued expenses and other liabilities as well as the decreases in accounts receivable, prepaid expenses, and other receivables were attributable primarily to the timing of our billings, cash collections, and cash payments.

Cash provided by operating activities of $31.5 million for the six months ended June 30, 2023 consisted of a net loss of $67.1 million adjusted for non-cash charges of $63.1 million and net cash inflows of $35.5 million from changes in operating assets and liabilities. Customer growth accounted for most of the increase in deferred revenue. Deferred costs decreased primarily due to the amortization of direct and incremental costs of obtaining a customer contract. The increases in prepaid expenses and accrued expenses and other liabilities as well as the decreases in accounts receivable and accounts payable were attributable primarily to the timing of our billings, cash collections, and cash payments.

Investing Activities

Cash used in investing activities of $26.3 million for the three months ended June 30, 2024 consisted of $98.3 million for the acquisition of Sustain.Life and $35.0 million in purchases of marketable securities partially offset by $107.1 million from the maturities of marketable securities.

Cash used in investing activities of $22.5 million for the three months ended June 30, 2023 consisted of $51.2 million in purchases of marketable securities and $0.6 million in purchases of fixed assets partially offset by $21.3 million from the sale of marketable securities and $8.0 million from the maturities of marketable securities. Our capital expenditures were associated primarily with computer equipment in support of expanding our infrastructure and work force.

Cash used in investing activities of $8.9 million for the six months ended June 30, 2024 consisted of $98.3 million for the acquisition of Sustain.Life and $151.6 million in purchases of marketable securities partially offset by $236.7 million from the maturities of marketable securities and $4.6 million from the sale of marketable securities.

Cash used in investing activities of $73.0 million for the six months ended June 30, 2023 consisted of $177.0 million in purchases of marketable securities and $0.8 million in purchases of fixed assets partially offset by $65.1 million from the sale of marketable securities and $39.9 million from the maturities of marketable securities. Our capital expenditures were associated primarily with computer equipment in support of expanding our infrastructure and work force.

Financing Activities

Cash used in financing activities of $1.5 million for the three months ended June 30, 2024 consisted of $1.6 million in taxes paid related to net share settlements of stock-based compensation awards partially offset by $0.3 million in proceeds from option exercises.

Cash used in financing activities of $0.6 million for the three months ended June 30, 2023 consisted of $1.2 million in taxes paid related to net share settlements of stock-based compensation awards partially offset by $0.7 million in proceeds from option exercises.

Cash used in financing activities of $2.8 million for the six months ended June 30, 2024 consisted of $10.3 million in taxes paid related to net share settlements of stock-based compensation awards partially offset by $7.1 million in proceeds from shares issued in connection with our employee stock purchase plan and $0.6 million in proceeds from option exercises.

Cash used in financing activities of $0.9 million for the six months ended June 30, 2023 consisted of $8.4 million in taxes paid related to net share settlements of stock-based compensation awards partially offset by $5.5 million in proceeds from shares issued in connection with our employee stock purchase plan and $2.2 million in proceeds from option exercises.

Share Repurchase Plan

On July 30, 2024, our board of directors authorized a share repurchase program for up to $100.0 million of our outstanding Class A common stock (the “2024 Repurchase Plan”). The repurchases may be made in the open market or through privately negotiated transactions, pursuant to Rule 10b5-1 trading plans or other available means, each in compliance with Rule 10b-18 under the Exchange Act. The timing, manner, price, and amount of the repurchase will be subject to the discretion of the Company’s management, and it may be suspended or discontinued at any time.

Contractual Obligations and Commitments

There were no material changes in our contractual obligations and commitments from those disclosed in the Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, income taxes and related disclosures. On an ongoing basis, we evaluate our estimates and assumptions. Our actual results may differ from these estimates under different assumptions or conditions.

During the six months ended June 30, 2024, there were no significant changes to our critical accounting policies and estimates as described in the financial statements contained in the Annual Report on Form 10-K for the year ended December 31, 2023 filed with the SEC on February 20, 2024.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For quantitative and qualitative disclosures about market risk, see “Item 7A., Quantitative and Qualitative Disclosures About Market Risk” of our Annual Report on Form 10-K for the year ended December 31, 2023. Our exposures to market risk have not changed materially since December 31, 2023.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation 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 the end of the period covered by this Quarterly Report on Form 10-Q.

Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the 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 SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Part II. Other Information

Item 1. Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that in the opinion of our management, if determined adversely to us, would have a material adverse effect on our business, financial condition, operating results or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, "Item 1A. Risk Factors" in our 2023 Annual Report on Form 10-K, which could materially affect our business, financial condition or future results. There have been no material changes during fiscal year 2024 to the risk factors that were included in the Form 10-K, other than what is set forth immediately below.

Risks Related to Ownership of Our Securities

The amount and frequency of our share repurchases may fluctuate, and we cannot guarantee that we will fully consummate our share repurchase authorization, or that it will enhance long-term shareholder value. Share repurchases could also increase the volatility of the trading price of our stock and will diminish our cash reserves.

The amount, frequency and execution of our share repurchases pursuant to the 2024 Repurchase Plan may fluctuate based on our operating results, cash flows, priorities for the use of cash for other purposes. These other purposes include, but are not limited to, operational spending, capital spending, acquisitions, and repayment of debt. Other factors, including changes in tax laws, could also impact our share repurchases. Although our board of directors has authorized share repurchases of up to $100.0 million of our outstanding Class A common stock, the authorization does not obligate us to repurchase any common stock, and we may not ultimately purchase any common stock.

We cannot guarantee that our share repurchase authorization pursuant to the 2024 Repurchase Plan will be fully consummated or that it will enhance long-term shareholder value. The repurchase authorization could affect the trading price of our stock and increase volatility. Price volatility may cause the average price at which we repurchase our common stock in a given period to exceed the common stock's price at a given point in time. There can be no assurance that the time frame for repurchases under our 2024 Repurchase Plan or that any repurchases will have a positive impact on our stock price or earnings per share. Important factors that could cause us to discontinue or decrease our stock repurchases include, among others, unfavorable market conditions, the market price of our common stock, the nature of other investment or strategic opportunities presented to us from time to time and the availability of funds necessary to fulfill such repurchases.

Item 2. Unregistered Sales of Securities and Use of Proceeds

Sales of Unregistered Securities

Not applicable.

Issuer Purchases of Equity Securities

None.

Item 5. Other Information

On July 30, 2024, our board of directors authorized a share repurchase program for up to $100.0 million of our outstanding Class A common stock (the “2024 Repurchase Plan”). The repurchases may be made in the open market or through privately negotiated transactions, pursuant to Rule 10b5-1 trading plans or other available means, each in compliance with Rule 10b-18 under the Exchange Act. The timing, manner, price, and amount of the repurchase will be subject to the discretion of the Company’s management, and it may be suspended or discontinued at any time.

Director and Officer Trading Arrangements

During the three months ended June 30, 2024, no director or officer of the Company adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

The following exhibits are being filed herewith or incorporated by reference herein:

Exhibit Number	Description
2.1	Agreement and Plan of Merger, dated as of June 17, 2024, by and among the Company, Sustain, Merger Sub and Sellers Representative, incorporated by reference from Exhibit 2.1 to the Company's Current Report on Form 8-K filed on June 17, 2024.
10.1	Workiva Inc. 2014 Equity Incentive Plan (As Amended and Restated May 30, 2024) incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 3, 2024.
31.1	Certification of the Chief Executive Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer, pursuant to Rule 13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Workiva Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations, (iii) the Condensed Consolidated Statements of Comprehensive Loss, (iv) the Consolidated Statements of Changes in Stockholders Equity (Deficit), (v) the Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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 on this 1st day of August, 2024.

WORKIVA INC.

By:	/s/ Julie Iskow
Name:	Julie Iskow
Title:	President and Chief Executive Officer
By:	/s/ Jill Klindt
Name:	Jill Klindt
Title:	Executive Vice President, Chief Financial Officer and Treasurer

CERTIFICATION UNDER SECTION 302 OF THE

SARBANES-OXLEY ACT OF 2002

I, Julie Iskow, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Workiva 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.

August 1, 2024	/s/ Julie Iskow Julie Iskow President and Chief Executive Officer (Principal Executive Officer)

CERTIFICATION UNDER SECTION 302 OF THE

SARBANES-OXLEY ACT OF 2002

I, Jill Klindt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Workiva 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.

August 1, 2024

/s/ Jill Klindt
Jill Klindt
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

CERTIFICATION UNDER SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Julie Iskow, President and Chief Executive Officer of Workiva Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

August 1, 2024	/s/ Julie Iskow Julie Iskow President and Chief Executive Officer (Principal Executive Officer)

CERTIFICATION UNDER SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

I, Jill Klindt, Executive Vice President, Chief Financial Officer, and Treasurer of Workiva Inc. (the “Company”), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

August 1, 2024

/s/ Jill Klindt
Jill Klindt
Executive Vice President, Chief Financial Officer, and Treasurer
(Principal Financial Officer)