

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

November 2, 2022
Date of Report (date of earliest event reported)

WORKIVA INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

001-36773
(Commission File Number)

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

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

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

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

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

Title of each class
Class A common stock, par value \$.001

Trading Symbol
WK

Name of each exchange on which registered
New York Stock Exchange

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

Emerging growth company

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

Section 2 - Financial Information

Item 2.02 - Results of Operations and Financial Condition

On November 2, 2022, Workiva Inc. (the "Company") issued a press release announcing its results for the quarter ended September 30, 2022. A copy of the press release is attached as Exhibit 99.1 to this current report on Form 8-K and is incorporated by reference herein.

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

Section 9 - Financial Statements and Exhibits

Item 9.01 - Financial Statements and Exhibits

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

| <u>Exhibit Number</u> | <u>Description</u> |
|----------------------------------|--|
| 99.1 | Press Release entitled "Workiva Inc. Announces Third Quarter 2022 Financial Results" dated November 2, 2022. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 2nd day of November, 2022.

WORKIVA INC.

By: /s/ Jill Klindt
Name: Jill Klindt
Title: Senior Vice President, Chief Financial Officer,
Chief Accounting Officer and Treasurer



Workiva Inc. Announces Third Quarter 2022 Financial Results

- Increased Q3 2022 Subscription & Support Revenue by 19.9% over Q3 2021
- Generated Total Q3 2022 Revenue of \$132.8 Million, up 17.9% over Q3 2021
- Achieved 25.0% YOY Growth of Customers with Annual Contract Value Over \$150K

AMES, Iowa - November 2, 2022 – Workiva Inc. (NYSE:WK), the company powering transparent reporting for a better world, today announced financial results for its third quarter ended September 30, 2022.

"We are pleased with our third quarter 2022 results, delivering revenue growth near the high end of our quarterly guidance," said Marty Vanderploeg, chief executive officer. "The strategic investments we've made in our platform and solutions over the past year are paying off. For the quarter, we showed continued bookings growth in multiple solution areas led by ESG."

"Third quarter Subscription & Support revenue grew 19.9%," said Jill Klindt, chief financial officer. "Total revenue grew 17.9% even after a 1.9% negative impact from foreign currency. For the full year, we're targeting a total revenue growth rate of 20%."

"Our continued focus on driving multi-solution adoption has propelled Workiva's growth," added Vanderploeg. "As organizations face increased macro uncertainty and cost challenges, we still believe they will continue to invest in the Workiva platform to drive efficiency, enhance productivity, and deliver on their financial, regulatory, and ESG requirements."

Third Quarter 2022 Financial Highlights

- **Revenue:** Total revenue for the third quarter of 2022 reached \$132.8 million, an increase of 17.9% from \$112.7 million in the third quarter of 2021. Subscription and support revenue contributed \$118.6 million, up 19.9% versus the third quarter of 2021. Professional services revenue was \$14.3 million, an increase of 3.5% compared to the same quarter in the prior year.
- **Gross Profit:** GAAP gross profit for the third quarter of 2022 was \$100.4 million compared with \$86.3 million in the same quarter of 2021. GAAP gross margin was 75.6% versus 76.6% in the third quarter of 2021. Non-GAAP gross profit for the third quarter of 2022 was \$101.8 million, an increase of 16.5% compared with the prior year's third quarter, and non-GAAP gross margin was 76.6% compared to 77.6% in the third quarter of 2021.
- **Results from Operations:** GAAP loss from operations for the third quarter of 2022 was \$30.1 million compared with a loss of \$8.0 million in the prior year's third quarter. Non-GAAP loss from operations was \$8.4 million, compared with non-GAAP income from operations of \$5.0 million in the third quarter of 2021.
- **GAAP Net Loss:** GAAP net loss for the third quarter of 2022 was \$29.7 million compared with a net loss of \$6.6 million for the prior year's third quarter. GAAP net loss per basic and diluted share was \$0.56 compared with a net loss per basic and diluted share of \$0.13 in the third quarter of 2021.
- **Non-GAAP Net Loss/Income:** Non-GAAP net loss for the third quarter of 2022 was \$7.9 million compared with net income of \$8.7 million in the prior year's third quarter. Non-GAAP net loss per basic and diluted share was \$0.15, compared with net income per basic share and diluted share of \$0.17 and \$0.15, respectively, in the third quarter of 2021.
- **Liquidity:** As of September 30, 2022, Workiva had cash, cash equivalents, and marketable securities totaling \$433.0 million, compared with \$530.4 million as of December 31, 2021. Workiva had \$345.0 million aggregate principal amount of 1.125% convertible senior notes due in 2026 and \$15.3 million of finance lease obligations outstanding as of September 30, 2022.

Key Metrics and Recent Business Highlights

- **Customers:** Workiva had 5,541 customers as of September 30, 2022, including approximately 895 ParsePort ESEF customers, a net increase of 1,395 customers from September 30, 2021.
- **Revenue Retention Rate:** As of September 30, 2022, Workiva's revenue retention rate (excluding add-on revenue) was 98.1%, and the revenue retention rate including add-on revenue was 107.0%. Add-on revenue includes changes in both solutions and pricing for existing customers.
- **Large Contracts:** As of September 30, 2022, Workiva had 1,257 customers with an annual contract value ("ACV") of more than \$100,000, up 21% from 1,043 customers at September 30, 2021. Workiva had 676 customers with an ACV of more than \$150,000, up 25% from 541 customers in the third quarter of 2021. Workiva had 214 customers with an ACV of more than \$300,000, up 21% from 177 customers in the third quarter of 2021.

Financial Outlook

As of November 2, 2022, Workiva is providing updated guidance as follows:

Fourth Quarter 2022 Guidance:

- Total revenue is expected to be in the range of \$138.9 million to \$139.9 million.

- GAAP loss from operations is expected to be in the range of \$24.9 million to \$23.9 million.
- Non-GAAP loss from operations is expected to be in the range of \$5.7 million to \$4.7 million.
- GAAP net loss per basic share is expected to be in the range of \$0.47 to \$0.45.
- Non-GAAP net loss per basic share is expected to be in the range of \$0.10 to \$0.08.
- Net loss per basic share is based on 53.3 million weighted-average shares outstanding.

Full Year 2022 Guidance:

- Total revenue is expected to be in the range of \$533.0 million to \$534.0 million.
- GAAP loss from operations is expected to be in the range of \$100.4 million to \$99.4 million.
- Non-GAAP loss from operations is expected to be in the range of \$23.5 million to \$22.5 million.
- GAAP net loss per basic share is expected to be in the range of \$1.92 to \$1.90.
- Non-GAAP net loss per basic share is expected to be in the range of \$0.47 to \$0.45.
- Net loss per basic share is based on 53.0 million weighted-average shares outstanding.

Quarterly Conference Call

Workiva will host a conference call today at 5:00 p.m. ET to review the Company's financial results for the third quarter 2022, in addition to discussing the Company's outlook for the fourth quarter and full year 2022. To access this call, dial 888-330-2469 (U.S. domestic) or 240-789-2740 (international). The conference ID is 8736384. A live webcast of the conference call will be accessible in the "Investor Relations" section of Workiva's website at www.workiva.com. A replay of this conference call can also be accessed through November 9, 2022, at 800-770-2030 (U.S. domestic) or 647-362-9199 (international). The replay pass code is 8736384. An archived webcast of this conference call will also be available an hour after the completion of the call in the "Investor Relations" section of the Company's website at www.workiva.com.

About Workiva

Workiva Inc. (NYSE:WK) is on a mission to power transparent reporting for a better world. We build and deliver the world's leading regulatory, financial, and ESG reporting solutions to meet stakeholder demands for action, transparency, and disclosure of financial and non-financial data. Our cloud-based platform simplifies the most complex reporting and disclosure challenges by streamlining processes, connecting data and teams, and ensuring consistency. Learn more at workiva.com.

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Follow Workiva on Twitter: www.twitter.com/workiva

Non-GAAP Financial Measures

The non-GAAP adjustments referenced herein relate to the exclusion of stock-based compensation and amortization of acquisition-related intangible assets. A reconciliation of GAAP to non-GAAP historical financial measures has been provided in Table I at the end of this press release. A reconciliation of GAAP to non-GAAP guidance has been provided in Table II at the end of this press release.

Workiva believes that the use of non-GAAP gross profit and gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss) and non-GAAP net income (loss) per share is helpful to its investors. These measures, which are referred to as non-GAAP financial measures, are not prepared in accordance with generally accepted accounting principles in the United States, or GAAP. Non-GAAP gross profit is calculated by excluding stock-based compensation expense attributable to cost of revenues from gross profit. Non-GAAP gross margin is the ratio calculated by dividing non-GAAP gross profit by revenues. Non-GAAP income (loss) from operations is calculated by excluding stock-based compensation expense and amortization expense for acquisition-related intangible assets from loss from operations. Non-GAAP net income (loss) is calculated by excluding stock-based compensation expense, net of tax, amortization expense for acquisition-related intangible assets, and non-cash interest expense related to our convertible senior notes from net loss.. Non-GAAP net income (loss) per share is calculated by dividing non-GAAP net income (loss) by the weighted- average shares outstanding as presented in the calculation of GAAP net loss per share. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expenses, Workiva believes that providing non-GAAP financial measures that exclude stock-based compensation expense allows for more meaningful comparisons between its operating results from period to period. For business combinations, we generally allocate a portion of the purchase price to intangible assets. The amount of the allocation is based on estimates and assumptions made by management and is subject to amortization. The amount of purchase price allocated to intangible assets and the term of its related amortization can vary significantly and are unique to each acquisition and thus we do not believe it is reflective of ongoing operations. Under GAAP, certain convertible debt instruments that may be settled in cash on conversion are required to be accounted for as separate liability and equity components in a manner that reflects our non-convertible debt borrowing rate. This results in the debt component being treated as though it was issued at a discount, with the debt discount being accreted as additional non-cash interest expense over the term of the notes using the effective interest method. As a result, we believe that excluding this non-cash interest expense attributable to the debt discount in calculating our non-GAAP measures is useful because this interest expense does not represent a cash outflow and is not indicative of our ongoing operational performance. Workiva's management uses these non-GAAP financial measures as tools for financial and operational decision making and for evaluating Workiva's own operating results over different periods of time.

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

financial measures to the comparable GAAP financial measures included below, and not rely on any single financial measure to evaluate Workiva's business.

Safe Harbor Statement

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

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

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WORKIVA INC.

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|------------|---------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| Revenue | | | | |
| Subscription and support | \$ 118,591 | \$ 98,912 | \$ 339,064 | \$ 275,053 |
| Professional services | 14,258 | 13,781 | 55,008 | 47,449 |
| Total revenue | 132,849 | 112,693 | 394,072 | 322,502 |
| Cost of revenue | | | | |
| Subscription and support ⁽¹⁾ | 19,235 | 15,606 | 56,683 | 42,906 |
| Professional services ⁽¹⁾ | 13,184 | 10,799 | 38,846 | 31,766 |
| Total cost of revenue | 32,419 | 26,405 | 95,529 | 74,672 |
| Gross profit | 100,430 | 86,288 | 298,543 | 247,830 |
| Operating expenses | | | | |
| Research and development ⁽¹⁾ | 38,583 | 29,841 | 113,644 | 84,305 |
| Sales and marketing ⁽¹⁾ | 64,560 | 46,026 | 184,879 | 128,586 |
| General and administrative ⁽¹⁾ | 27,405 | 18,390 | 75,507 | 52,795 |
| Total operating expenses | 130,548 | 94,257 | 374,030 | 265,686 |
| Loss from operations | (30,118) | (7,969) | (75,487) | (17,856) |
| Interest income | 1,440 | 219 | 2,325 | 834 |
| Interest expense | (1,510) | (3,508) | (4,540) | (10,495) |
| Other income, net | 964 | 3,805 | 1,467 | 3,265 |
| Loss before provision (benefit) for income taxes | (29,224) | (7,453) | (76,235) | (24,252) |
| Provision (benefit) for income taxes | 467 | (885) | 810 | (846) |
| Net loss | \$ (29,691) | \$ (6,568) | \$ (77,045) | \$ (23,406) |
| Net loss per common share: | | | | |
| Basic and diluted | \$ (0.56) | \$ (0.13) | \$ (1.46) | \$ (0.46) |
| Weighted-average common shares outstanding - basic and diluted | 53,081,564 | 51,441,688 | 52,844,532 | 50,921,612 |

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|----------------------------|----------------------------------|--------|---------------------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| Cost of revenue | | | | |
| Subscription and support | \$ 855 | \$ 731 | \$ 2,557 | \$ 1,824 |
| Professional services | 533 | 407 | 1,578 | 1,183 |
| Operating expenses | | | | |
| Research and development | 3,399 | 2,347 | 9,272 | 7,195 |
| Sales and marketing | 4,657 | 4,095 | 14,388 | 10,481 |
| General and administrative | 10,853 | 5,107 | 26,258 | 14,679 |

WORKIVA INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

| | <u>September 30, 2022</u> | <u>December 31, 2021</u> |
|---|---------------------------|--------------------------|
| | (unaudited) | |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 229,497 | \$ 300,386 |
| Marketable securities | 203,511 | 230,060 |
| Accounts receivable, net | 82,278 | 76,848 |
| Deferred costs | 35,043 | 31,152 |
| Other receivables | 3,449 | 3,538 |
| Prepaid expenses and other | 14,098 | 15,108 |
| Total current assets | 567,876 | 657,092 |
| Property and equipment, net | 27,133 | 28,821 |
| Operating lease right-of-use assets | 14,414 | 17,760 |
| Deferred costs, non-current | 30,258 | 33,091 |
| Goodwill | 103,091 | 34,556 |
| Intangible assets, net | 27,828 | 10,434 |
| Other assets | 6,037 | 5,005 |
| Total assets | \$ 776,637 | \$ 786,759 |
| Liabilities and Stockholders' (Deficit) Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 9,674 | \$ 4,114 |
| Accrued expenses and other current liabilities | 84,890 | 84,126 |
| Deferred revenue | 280,594 | 258,023 |
| Convertible senior notes, current | — | 298,661 |
| Finance lease obligations | 609 | 1,575 |
| Total current liabilities | 375,767 | 646,499 |
| Convertible senior notes, non-current | 339,932 | — |
| Deferred revenue, non-current | 37,498 | 34,181 |
| Other long-term liabilities | 1,353 | 1,605 |
| Operating lease liabilities, non-current | 12,866 | 16,408 |
| Finance lease obligations, non-current | 14,711 | 15,087 |
| Total liabilities | 782,127 | 713,780 |
| Stockholders' (deficit) equity | | |
| Common stock | 53 | 51 |
| Additional paid-in-capital | 522,336 | 525,646 |
| Accumulated deficit | (511,214) | (452,430) |
| Accumulated other comprehensive loss | (16,665) | (288) |
| Total stockholders' (deficit) equity | (5,490) | 72,979 |
| Total liabilities and stockholders' (deficit) equity | \$ 776,637 | \$ 786,759 |

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|----------------------------------|------------|---------------------------------|-------------|
| | 2022 | 2021 | 2022 | 2021 |
| (unaudited) | | | | |
| Cash flows from operating activities | | | | |
| Net loss | \$ (29,691) | \$ (6,568) | \$ (77,045) | \$ (23,406) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 2,681 | 1,429 | 7,365 | 3,580 |
| Stock-based compensation expense | 20,297 | 12,687 | 54,053 | 35,362 |
| Provision for (recovery of) doubtful accounts | 91 | (61) | 82 | (162) |
| Amortization of premiums and discounts on marketable securities, net | 129 | 811 | 1,242 | 2,199 |
| Gain on settlement of equity securities | — | (3,698) | — | (3,698) |
| Amortization of issuance costs and debt discount | 325 | 2,301 | 973 | 6,851 |
| Deferred income tax | 57 | (930) | (91) | (914) |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (7,927) | 2,074 | (6,190) | 5,233 |
| Deferred costs | (1,372) | (2,027) | (2,662) | (12,104) |
| Operating lease right-of-use asset | 1,269 | 985 | 3,877 | 2,906 |
| Other receivables | (527) | (628) | 38 | (204) |
| Prepaid expenses | 3,593 | (1,024) | 870 | (4,049) |
| Other assets | (1,140) | (514) | (1,105) | (1,197) |
| Accounts payable | 3,931 | 478 | 5,995 | 1,214 |
| Deferred revenue | 14,775 | 9,949 | 28,573 | 22,028 |
| Operating lease liability | (1,113) | (1,112) | (3,757) | (3,390) |
| Accrued expenses and other liabilities | (523) | 2,161 | 384 | 10,327 |
| Net cash provided by operating activities | 4,855 | 16,313 | 12,602 | 40,576 |
| Cash flows from investing activities | | | | |
| Purchase of property and equipment | (1,023) | (771) | (2,226) | (2,431) |
| Purchase of marketable securities | (41,618) | (48,213) | (99,564) | (143,085) |
| Sale of marketable securities | — | — | 14,981 | 250 |
| Maturities of marketable securities | 40,071 | 45,579 | 106,857 | 116,371 |
| Acquisitions, net of cash acquired | — | (35,067) | (99,186) | (35,067) |
| Purchase of intangible assets | (62) | (64) | (108) | (187) |
| Other investments | — | — | — | (750) |
| Net cash used in investing activities | (2,632) | (38,536) | (79,246) | (64,899) |

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Three months ended September 30, | | Nine months ended September 30, | |
|--|----------------------------------|------------|---------------------------------|------------|
| | 2022 | 2021 | 2022 | 2021 |
| | (unaudited) | | | |
| Cash flows from financing activities | | | | |
| Proceeds from option exercises | 625 | 3,174 | 2,595 | 8,792 |
| Taxes paid related to net share settlements of stock-based compensation awards | (738) | (15,809) | (10,652) | (23,686) |
| Proceeds from shares issued in connection with employee stock purchase plan | 4,038 | 4,624 | 9,256 | 8,861 |
| Principal payments on finance lease obligations | (454) | (430) | (1,342) | (1,271) |
| Net cash provided by (used in) financing activities | 3,471 | (8,441) | (143) | (7,304) |
| Effect of foreign exchange rates on cash | (2,450) | (405) | (4,102) | (79) |
| Net increase (decrease) in cash and cash equivalents | 3,244 | (31,069) | (70,889) | (31,706) |
| Cash and cash equivalents at beginning of period | 226,253 | 322,194 | 300,386 | 322,831 |
| Cash and cash equivalents at end of period | \$ 229,497 | \$ 291,125 | \$ 229,497 | \$ 291,125 |

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|----------------------------------|------------------|---------------------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Gross profit, subscription and support | \$ 99,356 | \$ 83,306 | \$ 282,381 | \$ 232,147 |
| Add back: Stock-based compensation | 855 | 731 | 2,557 | 1,824 |
| Gross profit, subscription and support, non-GAAP | <u>\$ 100,211</u> | <u>\$ 84,037</u> | <u>\$ 284,938</u> | <u>\$ 233,971</u> |
| As a percentage of subscription and support revenue, non-GAAP | 84.5 % | 85.0 % | 84.0 % | 85.1 % |
| Gross profit, professional services | \$ 1,074 | \$ 2,982 | \$ 16,162 | \$ 15,683 |
| Add back: Stock-based compensation | 533 | 407 | 1,578 | 1,183 |
| Gross profit, professional services, non-GAAP | <u>\$ 1,607</u> | <u>\$ 3,389</u> | <u>\$ 17,740</u> | <u>\$ 16,866</u> |
| As a percentage of professional services revenue, non-GAAP | 11.3 % | 24.6 % | 32.2 % | 35.5 % |
| Gross profit | \$ 100,430 | \$ 86,288 | \$ 298,543 | \$ 247,830 |
| Add back: Stock-based compensation | 1,388 | 1,138 | 4,135 | 3,007 |
| Gross profit, non-GAAP | <u>\$ 101,818</u> | <u>\$ 87,426</u> | <u>\$ 302,678</u> | <u>\$ 250,837</u> |
| As percentage of revenue, non-GAAP | 76.6 % | 77.6 % | 76.8 % | 77.8 % |
| Cost of revenue, subscription and support | \$ 19,235 | \$ 15,606 | \$ 56,683 | \$ 42,906 |
| Less: Stock-based compensation | 855 | 731 | 2,557 | 1,824 |
| Cost of revenue, subscription and support, non-GAAP | <u>\$ 18,380</u> | <u>\$ 14,875</u> | <u>\$ 54,126</u> | <u>\$ 41,082</u> |
| As percentage of revenue, non-GAAP | 13.8 % | 13.2 % | 13.7 % | 12.7 % |
| Cost of revenue, professional services | \$ 13,184 | \$ 10,799 | \$ 38,846 | \$ 31,766 |
| Less: Stock-based compensation | 533 | 407 | 1,578 | 1,183 |
| Cost of revenue, professional services, non-GAAP | <u>\$ 12,651</u> | <u>\$ 10,392</u> | <u>\$ 37,268</u> | <u>\$ 30,583</u> |
| As percentage of revenue, non-GAAP | 9.5 % | 9.2 % | 9.5 % | 9.5 % |
| Research and development | \$ 38,583 | \$ 29,841 | \$ 113,644 | \$ 84,305 |
| Less: Stock-based compensation | 3,399 | 2,347 | 9,272 | 7,195 |
| Less: Amortization of acquisition-related intangibles | 876 | 275 | 2,240 | 275 |
| Research and development, non-GAAP | <u>\$ 34,308</u> | <u>\$ 27,219</u> | <u>\$ 102,132</u> | <u>\$ 76,835</u> |
| As percentage of revenue, non-GAAP | 25.8 % | 24.2 % | 25.9 % | 23.8 % |
| Sales and marketing | \$ 64,560 | \$ 46,026 | \$ 184,879 | \$ 128,586 |
| Less: Stock-based compensation | 4,657 | 4,095 | 14,388 | 10,481 |
| Less: Amortization of acquisition-related intangibles | 587 | 13 | 1,373 | 13 |
| Sales and marketing, non-GAAP | <u>\$ 59,316</u> | <u>\$ 41,918</u> | <u>\$ 169,118</u> | <u>\$ 118,092</u> |
| As percentage of revenue, non-GAAP | 44.6 % | 37.2 % | 42.9 % | 36.6 % |

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

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|----------------------------------|------------------|---------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| General and administrative | \$ 27,405 | \$ 18,390 | \$ 75,507 | \$ 52,795 |
| Less: Stock-based compensation | 10,853 | 5,107 | 26,258 | 14,679 |
| General and administrative, non-GAAP | <u>\$ 16,552</u> | <u>\$ 13,283</u> | <u>\$ 49,249</u> | <u>\$ 38,116</u> |
| As percentage of revenue, non-GAAP | 12.5 % | 11.8 % | 12.5 % | 11.8 % |
| Loss from operations | \$ (30,118) | \$ (7,969) | \$ (75,487) | \$ (17,856) |
| Add back: Stock-based compensation | 20,297 | 12,687 | 54,053 | 35,362 |
| Add back: Amortization of acquisition-related intangibles | 1,463 | 288 | 3,613 | 288 |
| (Loss) income from operations, non-GAAP | <u>\$ (8,358)</u> | <u>\$ 5,006</u> | <u>\$ (17,821)</u> | <u>\$ 17,794</u> |
| As percentage of revenue, non-GAAP | (6.3)% | 4.4 % | (4.5)% | 5.5 % |
| Net loss | \$ (29,691) | \$ (6,568) | \$ (77,045) | \$ (23,406) |
| Add back: Stock-based compensation | 20,297 | 12,687 | 54,053 | 35,362 |
| Add back: Amortization of acquisition-related intangibles | 1,463 | 288 | 3,613 | 288 |
| Add back: Non-cash interest expense related to convertible senior notes | — | 2,301 | — | 6,851 |
| Net (loss) income, non-GAAP | <u>\$ (7,931)</u> | <u>\$ 8,708</u> | <u>\$ (19,379)</u> | <u>\$ 19,095</u> |
| As percentage of revenue, non-GAAP | (6.0)% | 7.7 % | (4.9)% | 5.9 % |
| Net loss per basic and diluted share: | \$ (0.56) | \$ (0.13) | \$ (1.46) | \$ (0.46) |
| Add back: Stock-based compensation | 0.38 | 0.25 | 1.02 | 0.69 |
| Add back: Amortization of acquisition-related intangibles | 0.03 | 0.01 | 0.07 | 0.01 |
| Add back: Non-cash interest expense related to convertible senior notes | — | 0.04 | — | 0.13 |
| Net (loss) income per basic share, non-GAAP | <u>\$ (0.15)</u> | <u>\$ 0.17</u> | <u>\$ (0.37)</u> | <u>\$ 0.37</u> |
| Net (loss) income per diluted share, non-GAAP | <u>\$ (0.15)</u> | <u>\$ 0.15</u> | <u>\$ (0.37)</u> | <u>\$ 0.34</u> |
| Weighted-average common shares outstanding - basic, non-GAAP | 53,081,564 | 51,441,688 | 52,844,532 | 50,921,612 |
| Weighted-average common shares outstanding - diluted, non-GAAP | 53,081,564 | 56,563,730 | 52,844,532 | 55,687,528 |

TABLE II
WORKIVA INC.
RECONCILIATION OF NON-GAAP GUIDANCE
(in thousands, except share and per share data)
Three months ending December 31,
2022

| | <u>Three months ending December 31,</u> <u>2022</u> | | <u>Year ending December 31, 2022</u> | |
|---|--|---------------------|--------------------------------------|----------------------|
| Loss from operations, GAAP range | \$ (24,869) | - \$ (23,869) | \$ (100,356) | - \$ (99,356) |
| Add back: Stock-based compensation | 17,788 | 17,788 | 71,841 | 71,841 |
| Add back: Amortization of acquisition-related intangibles | 1,402 | 1,402 | 5,015 | 5,015 |
| Net loss from operations, non-GAAP range | <u>\$ (5,679)</u> | <u>- \$ (4,679)</u> | <u>\$ (23,500)</u> | <u>- \$ (22,500)</u> |
| Net loss per share, GAAP range | \$ (0.47) | - \$ (0.45) | \$ (1.92) | - \$ (1.90) |
| Add back: Stock-based compensation | 0.33 | 0.33 | 1.36 | 1.36 |
| Add back: Amortization of acquisition-related intangibles | 0.03 | 0.03 | 0.09 | 0.09 |
| Net loss per share, non-GAAP range | <u>\$ (0.10)</u> | <u>- \$ (0.08)</u> | <u>\$ (0.47)</u> | <u>- \$ (0.45)</u> |
| Weighted-average common shares outstanding - basic | 53,300,000 | 53,300,000 | 53,000,000 | 53,000,000 |