

**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 March 31, 2022

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:

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

Indicate by check mark whether the Registrant (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 April 28, 2022, there were approximately 48,186,532 shares of the registrant's Class A common stock and 3,890,583 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, 2021, 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

	As of March 31, 2022	As of December 31, 2021
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 303,076	\$ 300,386
Marketable securities	220,457	230,060
Accounts receivable, net of allowance for doubtful accounts of \$561 and \$591 at March 31, 2022 and December 31, 2021, respectively	70,133	76,848
Deferred costs	31,816	31,152
Other receivables	3,359	3,538
Prepaid expenses and other	16,217	15,108
Total current assets	645,058	657,092
Property and equipment, net	28,091	28,821
Operating lease right-of-use assets	16,460	17,760
Deferred costs, non-current	30,879	33,091
Goodwill	34,556	34,556
Intangible assets, net	9,677	10,434
Other assets	5,162	5,005
Total assets	\$ 769,883	\$ 786,759

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

	<u>As of March 31, 2022</u>	<u>As of December 31, 2021</u>
	<u>(unaudited)</u>	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 8,379	\$ 4,114
Accrued expenses and other current liabilities	71,589	84,126
Deferred revenue	259,387	258,023
Convertible senior notes, current	—	298,661
Finance lease obligations	1,257	1,575
Total current liabilities	340,612	646,499
Convertible senior notes, non-current	339,283	—
Deferred revenue, non-current	33,204	34,181
Other long-term liabilities	1,602	1,605
Operating lease liabilities, non-current	15,026	16,408
Finance lease obligations, non-current	14,963	15,087
Total liabilities	744,690	713,780
Stockholders' equity		
Class A common stock, \$0.001 par value per share, 1,000,000,000 shares authorized, 48,139,939 and 47,293,775 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	48	47
Class B common stock, \$0.001 par value per share, 500,000,000 shares authorized, 3,890,583 and 4,150,583 shares issued and outstanding at March 31, 2022 and December 31, 2021, 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	479,867	525,646
Accumulated deficit	(452,662)	(452,430)
Accumulated other comprehensive loss	(2,064)	(288)
Total stockholders' equity	25,193	72,979
Total liabilities and stockholders' equity	\$ 769,883	\$ 786,759

See accompanying notes.

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

	Three months ended March 31,	
	2022	2021
Revenue		
Subscription and support	\$ 107,120	\$ 84,936
Professional services	22,554	19,286
Total revenue	129,674	104,222
Cost of revenue		
Subscription and support	18,533	13,202
Professional services	12,340	10,474
Total cost of revenue	30,873	23,676
Gross profit	98,801	80,546
Operating expenses		
Research and development	35,884	26,634
Sales and marketing	56,100	41,035
General and administrative	23,994	17,021
Total operating expenses	115,978	84,690
Loss from operations	(17,177)	(4,144)
Interest income	280	360
Interest expense	(1,518)	(3,485)
Other expense, net	(165)	(384)
Loss before benefit for income taxes	(18,580)	(7,653)
Benefit for income taxes	(87)	(329)
Net loss	\$ (18,493)	\$ (7,324)
Net loss per common share:		
Basic and diluted	\$ (0.35)	\$ (0.15)
Weighted-average common shares outstanding - basic and diluted	52,596,228	50,244,120

See accompanying notes.

WORKIVA INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)
(unaudited)

	Three months ended March 31,	
	2022	2021
Net loss	\$ (18,493)	\$ (7,324)
Other comprehensive loss, net of tax		
Foreign currency translation adjustment, net of tax	84	156
Unrealized loss on available-for-sale securities, net of tax	(1,860)	(205)
Other comprehensive loss, net of tax	(1,776)	(49)
Comprehensive loss	<u>\$ (20,269)</u>	<u>\$ (7,373)</u>

See accompanying notes.

WORKIVA INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(in thousands)
(unaudited)

Three Months Ended March 31, 2022							
	Common Stock (Class A and B)		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity	
	Shares	Amount					
Balances at December 31, 2021	51,444	\$ 51	\$ 525,646	\$ (288)	\$ (452,430)	\$ 72,979	
Stock-based compensation expense	—	—	15,309	—	—	15,309	
Issuance of common stock upon exercise of stock options	62	1	824	—	—	825	
Issuance of common stock under employee stock purchase plan	53	—	5,218	—	—	5,218	
Issuance of restricted stock units	545	—	—	—	—	—	
Tax withholding related to net share settlements of stock-based compensation awards	(73)	—	(8,570)	—	—	(8,570)	
Adoption of ASU 2020-06	—	—	(58,560)	—	18,261	(40,299)	
Net loss	—	—	—	—	(18,493)	(18,493)	
Other comprehensive loss	—	—	—	(1,776)	—	(1,776)	
Balances at March 31, 2022	<u>52,031</u>	<u>\$ 52</u>	<u>\$ 479,867</u>	<u>\$ (2,064)</u>	<u>\$ (452,662)</u>	<u>\$ 25,193</u>	

Three Months Ended March 31, 2021							
	Common Stock (Class A and B)		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity	
	Shares	Amount					
Balances at December 31, 2020	48,789	\$ 49	\$ 478,698	\$ 230	\$ (414,700)	\$ 64,277	
Stock-based compensation expense	—	—	11,623	—	—	11,623	
Issuance of common stock upon exercise of stock options	312	1	4,137	—	—	4,138	
Issuance of common stock under employee stock purchase plan	93	—	4,237	—	—	4,237	
Issuance of restricted stock units	803	—	—	—	—	—	
Tax withholding related to net share settlements of stock-based compensation awards	(70)	—	(7,146)	—	—	(7,146)	
Net loss	—	—	—	—	(7,324)	(7,324)	
Other comprehensive loss	—	—	—	(49)	—	(49)	
Balances at March 31, 2021	<u>49,927</u>	<u>\$ 50</u>	<u>\$ 491,549</u>	<u>\$ 181</u>	<u>\$ (422,024)</u>	<u>\$ 69,756</u>	

See accompanying notes.

WORKIVA INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three months ended March 31,	
	2022	2021
Cash flows from operating activities		
Net loss	\$ (18,493)	\$ (7,324)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	1,959	1,054
Stock-based compensation expense	15,309	11,623
Recovery of doubtful accounts	(29)	(118)
Amortization of premiums and discounts on marketable securities, net	660	625
Amortization of issuance costs and debt discount	324	2,266
Deferred income tax	(211)	(346)
Changes in assets and liabilities:		
Accounts receivable	6,581	15,265
Deferred costs	1,444	(1,059)
Operating lease right-of-use asset	1,301	944
Other receivables	180	(161)
Prepaid expenses and other	(1,132)	(3,747)
Other assets	23	(573)
Accounts payable	4,364	1,908
Deferred revenue	606	179
Operating lease liability	(1,342)	(1,076)
Accrued expenses and other liabilities	(12,481)	(7,957)
Net cash (used in) provided by operating activities	(937)	11,503
Cash flows from investing activities		
Purchase of property and equipment	(532)	(849)
Purchase of marketable securities	(34,148)	(43,655)
Sale of marketable securities	14,981	—
Maturities of marketable securities	26,250	40,586
Purchase of intangible assets	(40)	(71)
Net cash provided by (used in) investing activities	6,511	(3,989)

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

	Three months ended March 31,	
	2022	2021
Cash flows from financing activities		
Proceeds from option exercises	825	4,138
Taxes paid related to net share settlements of stock-based compensation awards	(8,570)	(7,146)
Proceeds from shares issued in connection with employee stock purchase plan	5,218	4,237
Principal payments on finance lease obligations	(442)	(417)
Net cash (used in) provided by financing activities	(2,969)	812
Effect of foreign exchange rates on cash	85	16
Net increase in cash and cash equivalents	2,690	8,342
Cash and cash equivalents at beginning of period	300,386	322,831
Cash and cash equivalents at end of period	\$ 303,076	\$ 331,173
Supplemental cash flow disclosure		
Cash paid for interest	\$ 2,165	\$ 2,188
Cash paid for income taxes, net of refunds	\$ 190	\$ 20
Supplemental disclosure of noncash investing and financing activities		
Purchases of property and equipment, accrued but not paid	\$ 262	\$ —

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”) simplifies complex work for thousands of organizations worldwide. We are a leading provider of cloud-based compliance and regulatory reporting solutions that are designed to solve business challenges at the intersection of data, process and people. 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. Accordingly, the financial statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The condensed consolidated balance sheet data as of December 31, 2021 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 months ended March 31, 2022 are not necessarily indicative of the results expected for the full year ending December 31, 2022.

Seasonality has affected our revenue, expenses and cash flows from operations. Revenue from professional services has been higher in the first quarter as many of our customers file their Form 10-K in the first calendar quarter. Our sales and marketing expense also has some degree of seasonality. Sales and marketing expense has historically been higher in the third quarter due to our annual user conference in September. Our transition to a virtual event in September 2020 and September 2021 has mostly mitigated this trend, although we currently intend to sponsor a hybrid virtual and in-person event in 2022. 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. 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, 2021 filed with the SEC on February 22, 2022.

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

In October 2021, the Financial Accounting Standards Board (“FASB”) issued Accounting Standard Update (“ASU”) 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which amends the accounting related to contract assets and liabilities acquired in business combinations. This ASU requires that entities recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASC 606, *Revenue from Contracts with Customers*. This update is effective for fiscal years beginning after December 15, 2022 with early adoption permitted. We adopted this standard on January 1, 2022. The adoption of this standard did not have a material impact on our consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, *Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*. Under ASU 2020-06, embedded conversion features are no longer separated from the host contract for convertible instruments with conversion features that are not required to be accounted for as derivatives, or that do not result in substantial premiums accounted for as paid-in capital. The convertible debt instruments will now be accounted for as a single liability measured at amortized cost. This results in the interest expense recognized for convertible debt instruments to be closer to the coupon interest rate. The new guidance also requires the if-converted method to be applied for all convertible instruments when calculating earnings per share. The new standard is effective for interim and annual periods beginning after December 15, 2021 and can be adopted on either a modified retrospective or full retrospective basis.

We adopted this standard on January 1, 2022 using the modified retrospective method under which financial results reported in prior periods were not adjusted. Adoption of the new standard resulted in a decrease to accumulated deficit of \$18.3 million, a decrease to additional paid-in capital of \$58.6 million, and an increase to convertible senior notes, non-current of \$40.3 million on the consolidated balance sheet. See Note 5 to the condensed consolidated financial statements for more information.

New Accounting Pronouncements Not Yet Adopted

None.

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 March 31, 2022	As of December 31, 2021
Accrued vacation	\$ 13,273	\$ 11,221
Accrued commissions	4,875	11,122
Accrued bonuses	6,475	8,292
Accrued payroll	4,737	4,494
Estimated health insurance claims	1,885	1,814
Accrued interest	485	1,455
ESPP employee contributions	3,262	5,349
Customer deposits	23,675	26,517
Operating lease liabilities	5,929	6,008
Accrued other liabilities	6,993	7,854
	<u>\$ 71,589</u>	<u>\$ 84,126</u>

3. Cash Equivalents and Marketable Securities

At March 31, 2022, cash equivalents and marketable securities consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
Money market funds	\$ 157,635	\$ —	\$ —	\$ 157,635
Commercial paper	10,486	—	—	10,486
U.S. treasury debt securities	55,324	6	(740)	54,590
Corporate debt securities	160,043	—	(1,660)	158,383
Foreign government debt securities	1,000	—	—	1,000
	<u>\$ 384,488</u>	<u>\$ 6</u>	<u>\$ (2,400)</u>	<u>\$ 382,094</u>
Included in cash and cash equivalents	<u>\$ 161,637</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 161,637</u>
Included in marketable securities	<u>\$ 222,851</u>	<u>\$ 6</u>	<u>\$ (2,400)</u>	<u>\$ 220,457</u>

At December 31, 2021, cash equivalents and marketable securities consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
Money market funds	\$ 259,754	\$ —	\$ —	\$ 259,754
Commercial paper	10,479	—	—	10,479
U.S. treasury debt securities	54,809	2	(206)	54,605
Corporate debt securities	161,792	3	(334)	161,461
Foreign government debt securities	5,014	1	—	5,015
	<u>\$ 491,848</u>	<u>\$ 6</u>	<u>\$ (540)</u>	<u>\$ 491,314</u>
Included in cash and cash equivalents	<u>\$ 261,254</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 261,254</u>
Included in marketable securities	<u>\$ 230,594</u>	<u>\$ 6</u>	<u>\$ (540)</u>	<u>\$ 230,060</u>

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

	As of March 31, 2022	
Due within one year	\$	116,239
Due in one to two years		102,582
Due in three to five years		1,636
	\$	220,457

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 March 31, 2022, aggregated by investment category and the length of time that individual securities have been in a continuous loss position (in thousands):

	As of March 31, 2022			
	Less than 12 months		12 months or greater	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. treasury debt securities	\$ 44,362	\$ (710)	\$ 2,470	\$ (30)
Corporate debt securities	155,900	(1,635)	1,982	(25)
Total	\$ 200,262	\$ (2,345)	\$ 4,452	\$ (55)

We do not believe the unrealized losses represent credit losses based on our evaluation of available evidence as of March 31, 2022, 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 March 31, 2022, 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):

Description	Fair Value Measurements as of March 31, 2022			Fair Value Measurements as of December 31, 2021		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Money market funds	\$ 157,635	\$ 157,635	\$ —	\$ 259,754	\$ 259,754	\$ —
Commercial paper	10,486	—	10,486	10,479	—	10,479
U.S. treasury debt securities	54,590	—	54,590	54,605	—	54,605
Corporate debt securities	158,383	—	158,383	161,461	—	161,461
Foreign government debt securities	1,000	—	1,000	5,015	—	5,015
	<u>\$ 382,094</u>	<u>\$ 157,635</u>	<u>\$ 224,459</u>	<u>\$ 491,314</u>	<u>\$ 259,754</u>	<u>\$ 231,560</u>
Included in cash and cash equivalents	\$ 161,637			\$ 261,254		
Included in marketable securities	\$ 220,457			\$ 230,060		

Convertible Senior Notes

As of March 31, 2022, the fair value of our convertible senior notes was \$558.5 million. 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

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 “Notes”). The Notes were issued pursuant to an indenture and are senior, unsecured obligations of the Company. The 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 Notes totaled \$335.9 million, net of initial purchaser discounts and issuance costs.

The initial conversion rate is 12.4756 shares of our common stock per \$1,000 principal amount of Notes, which is equivalent to an initial conversion price of approximately \$80.16 per share, subject to adjustment upon the occurrence of specified events.

Holders of the Notes may convert all or a portion of their Notes prior to the close of business on May 15, 2026, in multiples of \$1,000 principal amount, only under the following circumstances:

- during any calendar quarter commencing after the calendar quarter ending on September 30, 2019 (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 indenture.

On or after May 16, 2026, 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. It is our current intent to settle conversions through a combination settlement of cash and shares of our Class A common stock with a specified dollar amount per \$1,000 principal amount of Notes of \$1,000.

The Company may redeem for cash all or any portion of the Notes, at its option, on or after August 21, 2023, 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 redemption date.

During the first quarter of 2022 none of the conversion conditions were met and the Notes are no longer 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 March 31, 2022.

As discussed in Note 1, we adopted ASU 2020-06 on January 1, 2022 and the Notes are now accounted for as a single liability measured at amortized cost. Upon adoption, interest expense representing the amortization of the issuance costs as well as contractual interest expense is amortized to interest expense at an effective interest rate of 1.5% over the term of the notes. Prior to the adoption of ASU 2020-06, interest expense representing the amortization of the debt discount and issuance costs as well as contractual interest expense was amortized to interest expense at an effective interest rate of 4.3%. As of March 31, 2022 the if-converted value of the Notes exceeded the principal amount by \$162.9 million.

As of March 31, 2022, the remaining life of the Notes is approximately 4.4 years.

The net carrying amount of the liability and equity components of the Notes was as follows (in thousands):

	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Liability component:		
Principal	\$ 345,000	\$ 345,000
Unamortized discount	—	(41,193)
Unamortized issuance costs	(5,717)	(5,146)
Net carrying amount	<u>\$ 339,283</u>	<u>\$ 298,661</u>
Equity component, net of purchase discounts and issuance costs	\$ —	\$ 58,560

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

	<u>Three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Contractual interest expense	\$ 970	\$ 971
Amortization of debt discount	—	2,015
Amortization of issuance costs	324	251
Total interest expense	<u>\$ 1,294</u>	<u>\$ 3,237</u>

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 stock units, options to purchase Class A common stock and 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”).

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 March 31,	
	2022	2021
Cost of revenue		
Subscription and support	\$ 790	\$ 496
Professional services	452	367
Operating expenses		
Research and development	2,725	2,431
Sales and marketing	4,085	3,549
General and administrative	7,257	4,780
Total	<u>\$ 15,309</u>	<u>\$ 11,623</u>

Stock Options

The following table summarizes the option activity under the Plans for the three months ended March 31, 2022:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)
Outstanding at December 31, 2021	1,755,180	\$ 14.42	4.0
Granted	—	—	
Forfeited	—	—	
Exercised	(62,237)	13.25	
Outstanding at March 31, 2022	<u>1,692,943</u>	\$ 14.47	3.8
Exercisable at March 31, 2022	1,692,943	\$ 14.47	3.8

Restricted Stock Units

The following table summarizes the restricted stock unit activity under the Plans for the three months ended March 31, 2022:

	<u>Number of Shares</u>	<u>Weighted-Average Grant Date Fair Value</u>
Unvested at December 31, 2021	1,891,699	\$ 73.04
Granted	653,882	119.44
Forfeited	(24,096)	83.18
Vested ⁽¹⁾	(555,209)	56.82
Unvested at March 31, 2022	<u>1,966,276</u>	<u>\$ 92.96</u>

(1) During the three months ended March 31, 2022, in accordance with our Nonqualified Deferred Compensation Plan, recipients of 12,368 shares had elected to defer settlement of the vested restricted stock units and 1,693 shares were released from deferral.

During the first quarter of 2022, performance restricted stock units (“PSUs”) were granted for the first time to our executives under the 2014 Plan. The fair value of a PSU is determined using the closing price of our common stock on the grant date. Each PSU grant vests in annual tranches over a three-year service period. Total units earned for grants made in 2022 may vary between 0% and 200% of the units granted based on the attainment of company-specific performance targets during the related three-year period and upon continued service. Stock-based compensation expense for PSUs is recognized on a graded-vesting basis if it is probable that the performance conditions will be achieved. Adjustments to compensation expense are made each period based on changes in our estimate of the number of PSUs that are probable of vesting. PSUs will vest with continued service and upon achievement of the relevant performance targets.

Employee Stock Purchase Plan

During the three months ended March 31, 2022, 52,546 shares of common stock were purchased under the ESPP at a weighted-average price of \$99.30 per share, resulting in cash proceeds of \$5.2 million.

Compensation expense associated with ESPP purchase rights is recognized on a straight-line basis over the vesting period. At March 31, 2022, there was approximately \$1.2 million of total unrecognized compensation expense related to the ESPP, which is expected to be recognized over a weighted-average period of 0.3 years.

8. Revenue Recognition

Disaggregation of Revenue

The following table presents our revenues disaggregated by industry (in thousands).

	Three months ended March 31,	
	2022	2021
Industrials	\$ 18,570	\$ 13,877
Diversified financials	17,127	13,279
Information technology	14,637	10,663
Banks	12,985	11,610
Consumer discretionary	12,218	9,531
Healthcare	11,625	9,057
Insurance	7,777	6,584
Real estate	6,076	5,339
Utilities	5,960	4,828
Energy	5,746	5,284
Materials	5,674	4,846
Other	11,279	9,324
Total revenues	\$ 129,674	\$ 104,222

Revenues by industry are derived from leading software providers. In the fourth quarter of 2021 we refined our policy surrounding customer industry categorization and accordingly the prior year amounts have been updated to reflect these refinements.

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

	Three months ended March 31,	
	2022	2021
Subscription and support	\$ 107,120	\$ 84,936
XBRL professional services	17,693	14,486
Other services	4,861	4,800
Total revenues	\$ 129,674	\$ 104,222

Deferred Revenue

We recognized \$101.1 million and \$79.3 million of revenue during the three months ended March 31, 2022 and 2021, 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 March 31, 2022, we expect revenue of approximately \$603.9 million to be recognized from remaining performance obligations for subscription contracts. We expect to recognize approximately \$351.1 million of these remaining performance obligations over the next 12 months with the balance substantially recognized in the 24 months thereafter.

9. Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including convertible senior notes, outstanding stock options, stock related to unvested restricted stock units, and common stock issuable pursuant to the ESPP to the extent dilutive. Basic and diluted net loss per share was the same for each period presented, as the inclusion of all potential common shares outstanding would have been anti-dilutive.

The net loss per share is allocated based on the 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			
	March 31, 2022		March 31, 2021	
	Class A	Class B	Class A	Class B
<i>Numerator</i>				
Net loss	\$ (17,079)	\$ (1,414)	\$ (6,161)	\$ (1,163)
<i>Denominator</i>				
Weighted-average common shares outstanding - basic and diluted	48,575,645	4,020,583	42,264,288	7,979,832
Basic and diluted net loss per share	\$ (0.35)	\$ (0.35)	\$ (0.15)	\$ (0.15)

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	
	March 31, 2022	March 31, 2021
Shares subject to outstanding common stock options	1,692,943	2,588,566
Shares subject to unvested restricted stock units	1,966,276	2,237,862
Shares issuable pursuant to the ESPP	64,043	59,359

In addition, as of March 31, 2022 and March 31, 2021 approximately 4.3 million shares of our Class A common stock underlying our Convertible Senior Notes were excluded from the weighted-average shares used to calculate the diluted net loss per common share as they are considered anti-dilutive. Upon adoption of ASU 2020-06 on January 1, 2022, we use the if-converted method for calculating any potential dilutive effect of the Notes on diluted net income per share, if applicable. Prior to adoption of ASU 2020-06 we used the treasury stock method.

10. Intangible Assets

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

	Weighted Average Useful Life (Years)	As of March 31, 2022			As of December 31, 2021		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired technology	4	\$ 7,920	\$ (1,196)	\$ 6,724	\$ 7,920	\$ (701)	\$ 7,219
Acquired customer-related	8.7	360	(29)	331	360	(14)	346
Acquired trade names	2	1,478	(206)	1,272	1,478	(21)	1,457
Patents	10	2,780	(1,430)	1,350	2,740	(1,328)	1,412
Total	5.2	\$ 12,538	\$ (2,861)	\$ 9,677	\$ 12,498	\$ (2,064)	\$ 10,434

Amortization expense related to intangible assets was \$0.8 million and \$0.1 million for the three months ended March 31, 2022 and 2021, respectively.

As of March 31, 2022, expected remaining amortization expense of intangible assets by fiscal year is as follows (in thousands):

Remainder of 2022	\$	2,274
2023		2,967
2024		2,206
2025		1,477
2026		167
2027		152
Thereafter		434
Total expected amortization expense	\$	9,677

11. Subsequent Events

On April 1, 2022, we acquired all of the issued and outstanding equity interests in Denmark-based ParsePort ApS (“ParsePort”), a leading solution provider for the European Single Electronic Format (“ESEF”) financial reporting mandate, which complements Workiva's cloud platform, for an aggregate cash purchase price of \$100 million, subject to customary adjustments relating to the cash, working capital and indebtedness of ParsePort. We are currently in the process of valuing the assets acquired and liabilities assumed pursuant to the transaction. The accounting for this transaction is incomplete as of the date of our filing.

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 22, 2022. 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, 2021, 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 simplifies complex work for thousands of organizations worldwide. We are a leading provider of cloud-based compliance and regulatory reporting solutions that are designed to solve business challenges at the intersection of data, process and people.

Workiva changes the way enterprises manage and report business data. Our open, intelligent and intuitive platform is based on single instance, multi-tenant software applications deployed in the cloud. Our platform connects data, documents and teams, which results in improved efficiency, greater transparency and reduced risk of errors. We offer customers controlled collaboration, data linking, data integrations, granular permissions, process management and a full audit trail on our proprietary platform.

Customers use our platform to create, review and publish data-linked documents and reports with greater control, consistency, accuracy and productivity. Customers collaborate in the same document simultaneously, which improves efficiency and version control. Our platform is flexible and scalable, so customers can easily adapt it to define, automate and change their business processes in real time.

Our platform lets our customers connect data from Enterprise Resource Planning (“ERP”), Governance Risk and Compliance (“GRC”), Human Capital Management (“HCM”) and Customer Relationship Management (“CRM”) systems, as well as other third-party cloud and on-premise applications.

While our customers use our platform for dozens of different use cases, our sales and marketing resources are organized into four solution groups: Regulatory Reporting, Non-Regulatory Reporting, Financial Services and Integrated Risk.

We operate our business on a Software-as-a-Service (“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 and, to a lesser extent, our customer success and professional services teams. 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 2,230 at March 31, 2022 from 1,751 at March 31, 2021, an increase of 27.4%.

We have achieved significant revenue growth in recent periods. Our revenue grew to \$129.7 million during the three months ended March 31, 2022 from \$104.2 million during the three months ended March 31, 2021. We incurred a net loss of \$18.5 million during the three months ended March 31, 2022 compared to \$7.3 million during the three months ended March 31, 2021.

Recent Business Developments

On April 1, 2022, we acquired all of the issued and outstanding equity interests in ParsePort, a leading solution provider for the ESEF financial reporting mandate, which complements Workiva's cloud platform, for an aggregate cash purchase price of \$100 million, subject to customary adjustments relating to the cash, working capital and indebtedness of ParsePort.

Impact of COVID-19

Although the COVID-19 pandemic persists, we do not believe that it has adversely affected our business. We have been able to maintain business continuity and have experienced no pandemic-related employee furloughs or layoffs. We have remote-work options available for most employees, while permitting in-person collaboration at our various offices for employees who are vaccinated. We continue to monitor and update our practices in response to changes in the COVID-19 workplace safety and health standards established by the Occupational Safety and Health Administration (“OSHA”) and guidance provided by the Centers for Disease Control and Prevention (“CDC”).

Should COVID-19 variants continue to develop and spread, there is the possibility of future disruption to Workiva’s operations. The impact of any disruption is dependent upon a number of factors including the duration and severity of any COVID-19 resurgence, its impact on the overall economy and specific industry sectors, vaccination rates and the longer-term efficacy of vaccinations. We will continue to evaluate and refine our return-to-work and related policies in accordance with OSHA and CDC guidance.

Effects of Volatility in the IPO/SPAC Market

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”) in the first quarter of 2022. New sales of our SEC and Capital Markets solutions were adversely affected by this decline in the IPO and SPAC market in the first quarter. Whether and to what extent the IPO and SPAC market 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 many contributors and disparate sets of business data. We market our platform to professionals in the areas of: finance and accounting, regulatory reporting, management and performance reporting, integrated risk management, and global statutory reporting. 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 EMEA and APAC.

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. Sales and marketing expense is generally higher in the third quarter since we hold our annual user conference in September. Our transition to a virtual event in September 2020 and September 2021 has mostly mitigated this trend, although we currently intend to sponsor a hybrid virtual and in-person event in 2022. 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 March 31,	
	2022	2021
(dollars in thousands)		
<i>Financial metrics</i>		
Total revenue	\$ 129,674	\$ 104,222
Percentage increase in total revenue	24.4 %	21.5 %
Subscription and support revenue	\$ 107,120	\$ 84,936
Percentage increase in subscription and support revenue	26.1 %	24.2 %
Subscription and support as a percent of total revenue	82.6 %	81.5 %
As of March 31,		
	2022	2021
<i>Operating metrics</i>		
Number of customers	4,408	3,800
Subscription and support revenue retention rate	97.7%	95.1%
Subscription and support revenue retention rate including add-ons	109.2%	111.2%
Number of customers with annual contract value \$100k+	1,124	884
Number of customers with annual contract value \$150k+	603	457
Number of customers with annual contract value \$300k+	186	131

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.

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 97.7% as of March 31, 2022, up from 95.1% as of March 31, 2021. 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 March 31, 2022, down from 111.2% as of March 31, 2021. There has been downward

pressure on this key performance indicator as the IPO/SPAC market has slowed in 2022 and customers that purchased higher priced capital markets solutions throughout 2021 have transitioned to more moderately priced ongoing solutions in 2022.

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.

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 three months ended March 31, 2022 and 2021, no single customer represented more than 1% of our revenue, and our largest 10 customers accounted for less than 6% 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 twelve to 36 months. 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, and stock-based compensation; the costs of contracted third-party vendors; the costs of server usage by our customers; information technology costs; and facility costs. Costs of server usage are comprised primarily of fees paid to Amazon Web Services.

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, and stock-based compensation; costs of 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, 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 March 31,	
	2022	2021
(in thousands)		
Revenue		
Subscription and support	\$ 107,120	\$ 84,936
Professional services	22,554	19,286
Total revenue	129,674	104,222
Cost of revenue		
Subscription and support ⁽¹⁾	18,533	13,202
Professional services ⁽¹⁾	12,340	10,474
Total cost of revenue	30,873	23,676
Gross profit	98,801	80,546
Operating expenses		
Research and development ⁽¹⁾	35,884	26,634
Sales and marketing ⁽¹⁾	56,100	41,035
General and administrative ⁽¹⁾	23,994	17,021
Total operating expenses	115,978	84,690
Loss from operations	(17,177)	(4,144)
Interest income	280	360
Interest expense	(1,518)	(3,485)
Other expense, net	(165)	(384)
Loss before provision for income taxes	(18,580)	(7,653)
Benefit for income taxes	(87)	(329)
Net loss	\$ (18,493)	\$ (7,324)

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

	Three months ended March 31,	
	2022	2021
(in thousands)		
Cost of revenue		
Subscription and support	\$ 790	\$ 496
Professional services	452	367
Operating expenses		
Research and development	2,725	2,431
Sales and marketing	4,085	3,549
General and administrative	7,257	4,780
Total stock-based compensation expense	\$ 15,309	\$ 11,623

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 March 31,	
	2022	2021
Revenue		
Subscription and support	82.6 %	81.5 %
Professional services	17.4	18.5
Total revenue	100.0	100.0
Cost of revenue		
Subscription and support	14.3	12.7
Professional services	9.5	10.0
Total cost of revenue	23.8	22.7
Gross profit	76.2	77.3
Operating expenses		
Research and development	27.7	25.6
Sales and marketing	43.3	39.4
General and administrative	18.5	16.3
Total operating expenses	89.5	81.3
Loss from operations	(13.3)	(4.0)
Interest income	0.2	0.3
Interest expense	(1.2)	(3.3)
Other expense, net	(0.1)	(0.4)
Loss before provision for income taxes	(14.4)	(7.4)
Provision for income taxes	(0.1)	(0.3)
Net loss	(14.3) %	(7.1) %

Comparison of Three Months Ended March 31, 2022 and 2021

Revenue

	Three months ended March 31,		% Change
	2022	2021	
	(dollars in thousands)		
Revenue			
Subscription and support	\$ 107,120	\$ 84,936	26.1%
Professional services	22,554	19,286	16.9%
Total revenue	\$ 129,674	\$ 104,222	24.4%

Total revenue increased \$25.5 million for the three months ended March 31, 2022 compared to the same quarter a year ago due primarily to a \$22.2 million increase in subscription and support revenue. Growth in subscription and support revenue in the first quarter was attributable mainly to strong demand and better pricing for a broad range of use cases. The total number of our customers increased 16.0% from March 31, 2021 to March 31, 2022. Professional services revenue increased \$3.3 million for the three months ended March 31, 2022 compared to the same quarter a year ago due primarily to growth in revenue from XBRL professional services.

Cost of Revenue

	Three months ended March 31,		% Change
	2022	2021	
	(dollars in thousands)		
Cost of revenue			
Subscription and support	\$ 18,533	\$ 13,202	40.4%
Professional services	12,340	10,474	17.8%
Total cost of revenue	<u>\$ 30,873</u>	<u>\$ 23,676</u>	30.4%

Cost of revenue increased \$7.2 million in the three months ended March 31, 2022 compared to the same quarter a year ago. Subscription and support cost of revenue increased \$5.3 million due primarily to \$4.1 million in higher cash-based compensation and benefits as well as a \$0.5 million increase in server usage. The increase in cash-based compensation was due mostly to increased headcount while the increase in server usage resulted primarily from our continued investment in and support of our platform and solutions. Professional services cost of revenue increased \$1.9 million due primarily to increased headcount.

Operating Expenses

	Three months ended March 31,		% Change
	2022	2021	
	(dollars in thousands)		
Operating expenses			
Research and development	\$ 35,884	\$ 26,634	34.7%
Sales and marketing	56,100	41,035	36.7%
General and administrative	23,994	17,021	41.0%
Total operating expenses	<u>\$ 115,978</u>	<u>\$ 84,690</u>	36.9%

Research and Development

Research and development expenses increased \$9.3 million in the three months ended March 31, 2022 compared to the same quarter a year ago due primarily to \$6.1 million in higher cash-based compensation and benefits, \$0.3 million increase in travel expense, a \$1.1 million increase in server usage, a \$0.6 million increase in professional service fees, and a \$0.5 million increase related to the amortization of acquisition-related intangible assets. The increases in compensation, server usage and professional service fees were the result of our continued investment in and support of our platform and solutions. The increase in travel expense was due to a modest return to travel as travel restrictions and company policies originally implemented in response to the COVID-19 pandemic ease.

Sales and Marketing

Sales and marketing expenses increased \$15.1 million during the three months ended March 31, 2022 compared to the three months ended March 31, 2021 due primarily to \$12.4 million in higher cash-based compensation and benefits, \$0.5 million in travel expense, a \$0.5 million increase in stock-based compensation as well as a \$0.6 million increase in software expense. Headcount in sales and marketing increased 37.3% in the quarter ended March 31, 2022 compared to the same quarter a year ago. The increase software expense supports our continued investment in and support of our platform and solutions. The increase in travel expense was due to a modest return to travel as travel restrictions and company policies originally implemented in response to the COVID-19 pandemic ease.

General and Administrative

General and administrative expenses increased \$7.0 million during the three months ended March 31, 2022 compared to the three months ended March 31, 2021 due primarily to \$2.1 million in higher cash-based compensation and benefits, a \$0.5 million increase in travel expense, an additional \$2.0 million in stock-based compensation and a \$1.8 million increase in professional service fees. Headcount in general and administrative increased 25.5% compared to the same quarter a year ago. The increase in professional service fees was the result of our continued investment in and support of our platform and solutions. The increase in travel expense was due to a modest return to travel as travel restrictions and company policies originally implemented in response to the COVID-19 pandemic ease.

Non-Operating Income (Expenses)

	Three months ended March 31,		% Change
	2022	2021	
	(dollars in thousands)		
Interest income	\$ 280	\$ 360	(22.2)%
Interest expense	(1,518)	(3,485)	(56.4)%
Other expense, net	(165)	(384)	*

(*) Percentage is not meaningful.

Interest Income, Interest Expense and Other Expense, Net

During the three months ended March 31, 2022, interest income and other expense, net remained relatively flat compared to the same period in the prior year. Interest expense decreased \$2.0 million during the three months ended March 31, 2022 compared to the same period a year ago due primarily to our adoption of ASU 2020-06 in 2022 which resulted in the reduction of non-cash interest expense.

Results of Operations for Fiscal 2021 Compared to 2020

For a comparison of our results of operations for the fiscal years ended December 31, 2021 and 2020, 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, 2021, filed with the SEC on February 22, 2022.

Liquidity and Capital Resources

Overview of Sources and Uses of Cash

As of March 31, 2022, our principal sources of liquidity were cash, cash equivalents and marketable securities totaling \$523.5 million, which were held for working capital purposes. On April 1, 2022, we acquired all of the issued and outstanding equity interests in ParsePort, for an aggregate cash purchase price of \$100.0 million, subject to customary adjustments relating to the cash, working capital and indebtedness of ParsePort. We have financed our operations primarily through the proceeds of offerings of equity, convertible debt, and cash from operating activities. We have generated significant operating losses and negative cash flows from operating activities as reflected in our accumulated deficit and consolidated statements of cash flows. 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 2019, we issued \$345.0 million aggregate principal amount of 1.125% convertible senior notes due 2026 (the "Notes"). The Notes are senior, unsecured obligations and 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 Notes totaled \$335.9 million, net of initial purchaser discounts and issuance costs.

Cash Flows

	Three months ended March 31,	
	2022	2021
	(in thousands)	
Cash flow (used in) provided by operating activities	\$ (937)	\$ 11,503
Cash flow provided by (used in) investing activities	6,511	(3,989)
Cash flow (used in) provided by financing activities	(2,969)	812
Net increase in cash and cash equivalents, net of impact of exchange rates	\$ 2,690	\$ 8,342

Operating Activities

For the three months ended March 31, 2022, cash used in operating activities was \$0.9 million. The primary factors affecting our operating cash flows during the period were our net loss of \$18.5 million, adjusted for non-cash charges of \$2.0 million for depreciation and amortization of our property and equipment and intangible assets, \$15.3 million of stock-based compensation expense and a \$0.5 million net change in operating assets and liabilities. The primary drivers of the changes in operating assets and liabilities were a \$12.5 million decrease in accrued expenses and other liabilities and a \$1.1 million increase in prepaid expenses partially offset by a \$4.4 million increase in accounts payable, a \$0.6 million increase in deferred revenue, a \$6.6 million decrease in accounts receivable, and a \$1.4 million decrease in deferred costs. Deferred costs decreased due primarily to the amortization of direct and incremental costs of obtaining a customer contract. Customer growth accounted for most of the increase in deferred revenue. The increases in prepaid expenses and accounts payable as well as the decreases in accrued expenses and other liabilities and accounts receivable were attributable primarily to the timing of our billings, cash collections, and cash payments.

For the three months ended March 31, 2021, cash provided by operating activities was \$11.5 million. The primary factors affecting our operating cash flows during the period were our net loss of \$7.3 million, adjusted for non-cash charges of \$1.1 million for depreciation and amortization of our property and equipment and intangible assets, \$11.6 million of stock-based compensation expense, \$2.3 million for the amortization of issuance costs and debt discount and a \$3.7 million net change in operating assets and liabilities. The primary drivers of the changes in operating assets and liabilities were a \$8.0 million decrease in accrued expenses and other liabilities, a \$3.7 million increase in prepaid expenses, a \$1.1 million increase in deferred costs and a \$0.6 million increase in other assets offset by a \$15.3 million decrease in accounts receivable and a \$1.9 million increase in accounts payable. Deferred commissions increased due primarily to payments made to our sales force related to the direct and incremental costs of obtaining a customer contract. Increases in accounts payable and other assets as well as the decreases in accounts receivable and accrued expenses and other liabilities, were attributable primarily to the timing of our billings, cash collections, and cash payments. The increase in prepaid expenses was due primarily to timing of payments relating to cloud infrastructure services and subscriptions.

Investing Activities

Cash provided by investing activities of \$6.5 million for the three months ended March 31, 2022 was due primarily to \$26.3 million from maturities of marketable securities and \$15.0 million from the sale of marketable securities partially offset by \$34.1 million in purchases of marketable securities and \$0.5 million in purchases of fixed assets. Our capital expenditures were associated primarily with computer equipment in support of expanding our infrastructure and work force.

Cash used in investing activities of \$4.0 million for the three months ended March 31, 2021 was due primarily to \$43.7 million in purchases of marketable securities and \$0.8 million in purchases of fixed assets offset by \$40.6 million from 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 \$3.0 million for the three months ended March 31, 2022 was due primarily to \$8.6 million in taxes paid related to net share settlements of stock-based compensation awards partially offset by \$0.8 million in proceeds from option exercises and \$5.2 million in proceeds from shares issued in connection with our employee stock purchase plan.

Cash provided by financing activities of \$0.8 million for the three months ended March 31, 2021 was due primarily to \$4.1 million in proceeds from option exercises and \$4.2 million in proceeds from shares issued in connection with our employee stock purchase plan partially offset by \$7.1 million in taxes paid related to net share settlements of stock-based compensation awards.

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, 2021 filed with the SEC on February 22, 2022.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. U.S. GAAP. 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 three months ended March 31, 2022, 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, 2021 filed with the SEC on February 22, 2022.

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, 2021. Our exposures to market risk have not changed materially since December 31, 2021.

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 2021 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 2022 to the risk factors that were included in the Form 10-K, other than what is set forth immediately below.

Geopolitical conflicts, including the conflict between Russia and Ukraine, may adversely affect our business and results of operations.

We have operations or activities in numerous countries and regions outside the United States, including in Europe. As a result, our global operations are affected by economic, political and other conditions in the foreign countries in which we do business. Specifically, the current conflict between Russia and Ukraine is creating substantial uncertainty about the future impact on the global capital markets. Countries across the globe are instituting sanctions and other penalties against Russia. The retaliatory measures that have been taken, and could be taken in the future, by the U.S., NATO, and other countries have created global security concerns that could result in broader European military and political conflicts and otherwise have a substantial impact on regional and global economies, any or all of which could adversely affect our business, particularly our European operations.

Item 2. Unregistered Sales of Securities and Use of Proceeds

Sales of Unregistered Securities

Not applicable.

Issuer Purchases of Equity Securities

The following table provides information about purchases of shares of our Class A Common Stock during the three months ended March 31, 2022 related to shares withheld upon vesting of restricted stock units for tax withholding obligations:

Date	Total Number of Shares Purchased⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under Program
January 2022	5,660	\$ 130.49	—	—
February 2022	63,715	116.49	—	—
March 2022	3,778	108.34	—	—
Total	73,153	\$ 117.15	—	—

(1) Total number of shares delivered to us by employees to satisfy the mandatory tax withholding requirement upon vesting of stock-based compensation awards.

Item 6. Exhibits

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

Exhibit Number	Description
10.2	Form of Performance Restricted Stock Unit Agreement (Executive Employee) pursuant to the Workiva Inc. 2014 Equity Incentive Plan , incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K filed on January 31, 2022.
10.3	Amendment to Amended and Restated Employment Agreement between Workiva Inc. and Mithun Banarjee dated February 21, 2022 , incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K filed on February 19, 2022.
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 March 31, 2022 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 3rd day of May, 2022.

WORKIVA INC.

By: /s/ Martin J. Vanderploeg, Ph.D.
Name: Martin J. Vanderploeg, Ph.D.
Title: Chief Executive Officer

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

**CERTIFICATION UNDER SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002**

I, Martin J. Vanderploeg, Ph.D., 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.

May 3, 2022

/s/ Martin J. Vanderploeg, Ph.D.
Martin J. Vanderploeg, Ph.D.
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.

May 3, 2022

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

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

I, Martin J. Vanderploeg, 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 March 31, 2022 (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.

May 3, 2022

/s/ Martin J. Vanderploeg, Ph.D.
Martin J. Vanderploeg, Ph.D.
Chief Executive Officer
(Principal Executive Officer)

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

I, Jill Klindt, Senior Vice President, Chief Financial Officer, Chief Accounting 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 March 31, 2022 (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.

May 3, 2022

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