

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-K**

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(Mark One)

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

For the fiscal year ended December 31, 2021

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

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**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**

(Address of principal executive offices and zip code)

**(888) 275-3125**

(Registrant's telephone number, including area code)

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

Title of each class

Class A common stock, par value \$.001

Trading Symbol

WK

Name of each exchange on which registered

New York Stock Exchange

Securities registered pursuant to section 12(g) of the Act:

None

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Indicate by a check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

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.

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Large accelerated filer

Non-accelerated filer

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

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

The aggregate market value of voting stock held by non-affiliates of the Registrant on June 30, 2021, based on the closing price of \$111.33 for shares of the Registrant's Class A common stock as reported by the New York Stock Exchange, was approximately \$4.7 billion. Shares of common stock beneficially owned by each executive officer, director, and holder of more than 10% of our common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of February 17, 2022, there were approximately 48,066,708 shares of the registrant's Class A common stock and 3,890,583 shares of the registrant's Class B common stock outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Information required in response to Part III of Form 10-K (Items 10, 11, 12, 13 and 14) is hereby incorporated by reference to portions of the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held in 2022. The Proxy Statement will be filed by the Registrant with the Securities and Exchange Commission no later than 120 days after the end of the Registrant's fiscal year ended December 31, 2021.

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**WORKIVA INC.**  
**FORM 10-K**  
**For the Year Ended December 31, 2021**

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## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION**

Certain statements in this Annual Report on Form 10-K are “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (“Exchange Act”) and are subject to the safe harbor created thereby. All statements contained in this Annual Report on Form 10-K 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.” 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K to conform these statements to actual results or revised expectations.

Unless otherwise indicated, information contained in this Form 10-K concerning our industry and the markets in which we operate is based on information from independent industry and research organizations, other third-party sources (including industry publications, surveys and forecasts), and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from our internal research, and are based on assumptions made by us upon reviewing such data and our knowledge of such industry and markets that we believe to be reasonable. Although we believe the data from these third-party sources is reliable, we have not independently verified any third-party information.

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## Part I.

### Item 1. Business

#### Overview

Workiva’s mission is to power transparent reporting for a better world. We believe that consumers, employees, shareholders, and other stakeholders today expect more from business – more action, transparency, and disclosure of financial and non-financial information. We build solutions to meet that demand and streamline processes, connect data and teams, and ensure consistency – all within a controlled, secure, audit-ready, cloud platform.

Workiva delivers the world’s leading cloud platform for regulatory, financial and environmental, social and governance (“ESG”) reporting. Workiva provides more than 4,300 organizations with software-as-a-service solutions to help solve some of the most complex reporting and disclosure challenges. People all over the world use our connected, cloud platform to seamlessly enable collaboration and deep integration into existing work streams to simplify their most complex reporting challenges.

While our customers use our platform for more than 100 different use cases, we organize our sales and marketing resources into four solution groups focusing primarily on the office of the Chief Financial Officer (“CFO”): regulatory reporting, non-regulatory reporting, financial services and integrated risk. Our platform empowers our customers by connecting and transforming 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. Customers use our platform to create, review and publish data-linked documents and reports with greater control, consistency, accuracy and productivity. Our platform is flexible and scalable, so customers can easily adapt it to define, automate and change their business processes in real time.

We have experienced strong revenue growth since we released our first solution in March 2010. Our revenue increased from \$297.9 million in 2019 to \$443.3 million in 2021, representing a 22% compound annual growth rate. We incurred net losses of \$47.5 million in 2019, \$48.4 million in 2020 and \$37.7 million in 2021. Approximately 86% of our revenue in 2021 was derived from subscription and support fees, with the remainder from professional services.

## Macro Trends

We designed our cloud-based platform to simplify complex work, supporting both remote and hybrid work environments. Six macro trends have been driving demand for Workiva's platform: the shift to the cloud; digital transformation; remote and hybrid work; influx of disparate data sources; increased regulatory environment; and increased investor demands for ESG data.

*Shift to the Cloud.* Enterprises around the world have been shifting deployment of data management systems from on-premises to the cloud. A shift to the cloud started more than two decades ago with CRM and other front-office systems. In the last 10 years, enterprises also began adopting the cloud for managing middle- and back-office systems, owing to advantages in data security, data accessibility and total cost of operation. Having always delivered a cloud native platform, we have assisted many of our clients in adopting our cloud solutions and believe that the market has shifted to a cloud first or in many cases a cloud only set of purchasing requirements.

*Digital Transformation.* While the importance of digital transformation has been increasing in recent years, we believe that the pandemic accelerated that need and underscored the critical importance of collaborative cloud platforms for reporting and disclosure. As the world economy underwent increasing disruption, we believe that those companies that have embraced digital transformation were better able to maintain business continuity and improve productivity. Each of our fit-for-purpose solutions helps in critical aspects of our customers' digital transformation journeys and simplifies the complex work around reporting and disclosure.

*Remote and Hybrid Work Environments.* We believe that remote and hybrid work are here to stay. To attract and retain talent in the marketplace of knowledge workers, enterprises are responding to pressure to adopt more flexible work environments. Companies that manage a growing number of digital workplace employees are implementing collaborative technologies to streamline work processes and automate decision-making, actions and responses.

*Influx of disparate data sources.* As organizations capture and collect more data in more systems, the assembly, aggregation, and consolidation of that data becomes more complex. Integrating with and connecting to source systems and applications is one of the key requirements to address the technical complexity of reporting and disclosure, and is top of mind for the organizations we serve.

*Increased Regulatory Environment.* The regulatory environment continues to expand globally in both scope and complexity. Regulations are increasing as are demands for more data and disclosure. Regulators are also demanding greater use of structured, machine-readable data in companies' disclosures. Many regulators have already or will be implementing structured data mandates, requiring companies to tag data in their financial statements using eXtensible Business Reporting Language ("XBRL"), which is a royalty-free, international standard designed specifically for digital reporting of financial, performance, risk and compliance information. XBRL provides a unique, machine-readable tag for individual disclosures within business reports. To our knowledge, 60 countries have issued over 180 mandates for XBRL, and we expect use of the standard to continue to grow.

*Increased Investor Demands for ESG Data.* We believe it is more critical than ever for companies to be transparent and accountable not just to shareholders and investors but to all stakeholders: employees, customers, suppliers, partners and communities. Today, more than ever, environmental impact, social responsibility and corporate governance are impacting the valuations of companies and the ability of institutions to invest in those companies. ESG reporting is complex. It requires the ingestion, capture, management, and reporting of financial and non-financial data from many disparate sources, and it requires the collaboration of multiple internal stakeholders.

## **Growth Vectors**

We are focusing investment on five major growth opportunities: global expansion, ESG, European Single Electronic Format (“ESEF”), capital markets, and our partner ecosystem.

*Global Expansion.* We believe growth outside of North America presents an attractive opportunity because the factors that drive demand for our solutions in North America are similar to those in other developed countries, including the need to manage complex datasets, reduce errors and risk, improve efficiency and respond to regulatory requirements. In 2021, attendees from 108 countries attended our virtual annual user conference Workiva Amplify.

In 2021, we generated approximately 10% of our consolidated revenue from Europe, the Middle East and Africa (“EMEA”) and Asia-Pacific (“APAC”), and we expect these global markets to contribute an increasing percentage of total revenue.

*Environmental, Social, Governance Reporting.* We plan to accelerate our investments to meet stakeholders’ growing need for ESG information. In an increasingly transparent world, organizations across the globe are disclosing non-financial key performance indicators around environmental, social, and governance issues. ESG-related information is beginning to appear in mainstream financial reports like 10-Ks and we believe this trend will accelerate in the coming years. Workiva’s fit-for-purpose ESG solution provides an effective platform to help organizations manage, collaborate, and disclose their ESG information to stakeholders.

*European Single Electronic Format.* We believe ESEF is an accelerator for modernization of corporate reporting in Europe. ESEF is an annual financial reporting regulation specified by the European Securities and Markets Authority (“ESMA”). The ESMA mandate requires all specified issuers on European Union (“E.U.”) regulated markets to file annual account statements in a digital format using iXBRL. The key driver for ESEF is greater transparency and requires standardized reporting, consistently structured and accessible for stakeholders, thus we believe making it an ideal fit for Workiva.

*Capital Markets.* Capital Markets aligns well with Workiva’s product and platform offering. We have an end-to-end technology platform supporting our customers throughout their journey as they move from being a privately held company to being publicly traded. We believe that our platform approach and fit-for-purpose solutions provide a competitive differentiation in the market. Private companies can purchase the Workiva platform for financial reporting, management reporting and controls management. They may do this up to a year or two in advance of their target initial public offering (“IPO”) date. As these companies go through the IPO process, they then have the opportunity to use the capital markets solution on our platform to manage the creation of their Form S-1 to register their securities with the U.S. Securities and Exchange Commission (“SEC”). Around the time they go public, many of these customers may then purchase our SEC solution, which enables companies to prepare and file all major SEC reports, and expand the use of our platform to support their audit requirements under the Sarbanes-Oxley Act (“SOX”).

*Partner Ecosystem.* We believe that our ecosystem of partners extends our geographic reach, accelerates the usage and adoption of our platform, and enables more efficient delivery of professional services. We intend to expand and deepen our relationships with global and regional partners, including global consulting firms, systems 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.

## **Workiva Solutions**

We organize our sales and marketing resources into four solution groups: Regulatory Reporting, Non-Regulatory Reporting, Integrated Risk and Financial Services.

### ***Regulatory Reporting***

Changing regulations and mandates create complexity in regulatory and compliance reporting, which is often executed by teams distributed across different departments and geographies within organizations. While changes to future regulations are unpredictable, we expect demand for our platform to remain strong owing to its ability to improve transparency, accountability and insight into data.

*ESG Reporting.* Our platform streamlines the entire ESG process from automating data collection, utilizing frameworks, and integrating financial and non-financial data, including from disparate ESG sources. It enables organizations to deliver high-quality disclosures to their most important stakeholder by connecting information directly into sustainability reports, surveys, statutory disclosures, annual reports, SEC filings, earnings call scripts, and also enables XBRL tagging.

*SEC and System for Electronic Document Analysis and Retrieval (“SEDAR”) Reporting.* Our platform gives customers control over the entire SEC reporting process, from data collection to drafting to embedding supporting documentation to the actual filing with Inline XBRL. Our SEC reporting solution allows our customers to prepare and file all major SEC reports, such as Form 10-K, Form 10-Q and Form 8-K, as well as Form S-1 and other registration statements, proxy statements and Section 16 reports. Features tailored to the SEC reporting process include the capability to concurrently create reports in the HTML format required for filing on the SEC’s Electronic Data Gathering, Analysis and Retrieval (“EDGAR”) system and the ability to perform XBRL tagging as well as to submit SEC reports with Inline XBRL. Foreign Private Issuers can use our platform to include XBRL tagging in their 20-F and 40-F filings with the SEC. Workiva also enables customers to create earnings press releases, earnings call scripts, presentations and other investor relations materials with data linked to the corresponding filing. Canadian issuers can use our platform to draft and submit reports through SEDAR.

*ESEF Reporting.* We market our platform in Europe to help companies comply with the ESMA mandate to use Inline XBRL for its ESEF taxonomy. More than 5,000 European issuers are subject to the required taxonomy for their annual financial reports.

*Federal Energy Regulatory Commission (“FERC”) Reporting.* We market our platform to help companies comply with the FERC XBRL mandate. More than 200 utility, natural gas, oil pipeline and centralized service companies are required to file quarterly and annual reports using XBRL.

*Global Statutory Reporting.* We see growing demand for our platform in the U.S. and in Europe for statutory reporting, which is a complex process for our multinational customers that are required to report statutory financial information throughout different countries and local jurisdictions where they do business. Currently, most of these enterprises rely on hundreds of legacy word-processing documents and spreadsheets with no digital audit trail. This disconnected, manual process is prone to errors and creates risk of accounting inconsistencies in reports between legal entities across jurisdictions. Without a standardized process and central oversight, companies face enormous risk and high expenses related to outsourcing to a bevy of consultants and accounting firms, which weakens control and extends review time.

*Government Regulatory Reporting.* State and local governments use our platform to streamline and modernize Comprehensive Annual Financial Reports (“CAFR”) and budgeting. We are also expanding adoption of our platform across U.S. government agencies. With our FedRAMP authorization, we can help federal agencies connect, control and report up to 80 percent of their information types.



### ***Non-Regulatory Reporting***

Public and private companies, government agencies and higher-education institutions must create a vast array of complex financial and managerial reports. Organizations of all sizes typically have to collect, track, manage and report on a wide range of operating metrics to drive better business outcomes. Our customers continuously find new use cases across their organizations, including Financial Planning and Analysis (“FP&A”), board/committee and quarterly reporting, C-Suite reporting, strategic business plans, financial statements, variance reports, monthly management reports, managing and tracking key performance indicators, data collection for domestic sales, performance reporting and employee benefit financial statements.

### ***Integrated Risk***

We sell our platform to teams that work in SOX compliance, internal audit management, enterprise risk management and policy and procedure management.

*SOX Compliance.* Our customers use our platform to increase efficiency in documenting, implementing and assessing internal controls over financial reporting (“ICFR”) as required by SOX. SOX also requires public company CEOs and CFOs to individually certify that their annual and quarterly financial reports are accurate and complete and to assess the effectiveness of their ICFR. Increased scrutiny from the Public Company Accounting Oversight Board on audits of management’s assessment of internal controls – and the transition in the framework used for assessing internal controls – is driving public companies to find more efficient and accurate solutions for SOX compliance. Our customers can collect data from multiple departments, centralize that information in a linked platform, create and track process narratives and flows with co-workers, embed evidence and directly test controls.

*Internal Audit Management.* We sell to the broad-based audit market because users in that market often collaborate with colleagues working in SOX, risk and controls across an organization. Internal audit management extends throughout an organization, attracting Workiva customers from a wide range of departments. Internal audit management includes audit risk assessments, the audit planning process, workpaper management, testing, issues management and audit reports that encompass the audit committee report and the internal audit group. Workiva enables simultaneous collaboration with control and accountability and enables robust documentation, accurate audit conclusions and complete audit trails, which are essential to auditors, executives and boards. With permission controls, administrators can restrict access at all levels for each user to create, review and edit data and documents that relate directly to them. This control feature also enables users to grant access to their external auditors, which further streamlines the review process and reduces expenses.

*Enterprise Risk Management.* With our platform, our customers can integrate their risk management practices throughout the organization while maintaining information privacy, audit trails and security resulting in highly efficient and transparent compliance. We also sell a solution for ERM to help enterprises identify systemic risks, determine risk probabilities, assess risk magnitude, plan strategic responses, report to boards and other stakeholders and ultimately make real-time ERM decisions.

*Policy and Procedure Management.* Our customers can use our platform to establish a connected, enterprise-wide policy and procedure management process. Teams can access and manage all content for policies, standards, procedures and guidelines for the entire enterprise in our platform, and they can efficiently manage ongoing policy review cycles throughout the year. Customers can map policies directly to risks, controls, processes and regulations and create a consistent template-driven format or taxonomy for all policies. Customers can also distribute and track employee attestation of policies and procedures with automated certification reminders and progress dashboards.

### ***Financial Services***

We market our platform to address regulatory compliance risk and enterprise risk at banks, insurance companies and other financial services companies. Examples of regulations facing our customers include the Dodd-Frank Act, Basel III, Capital Requirements Regulation (“CRR”), Capital Requirements Directive (“CRD”), Resolution and Recovery Plans (“RRP”), Comprehensive Capital Analysis and Review (“CCAR”), and Dodd-Frank Stress Testing (“DFAST”). We also help investment management companies streamline industry-specific compliance and capital markets transactions.

We also market our platform to help organizations comply with the European Banking Authority’s Supervisory Review and Evaluation Process (“SREP”), which requires institutions to report on their Internal Capital Adequacy Assessment Process (“ICAAP”) and the Internal Liquidity Adequacy Assessment Process (“ILAAP”). In addition, our platform helps financial services firms in the UK comply with regulations from The Financial Conduct Authority, which requires reporting under the Client Asset Sourcebook (“CASS”) rules for registered firms who hold or control client money or custody assets.

### **Workiva Platform**

The Workiva platform is single instance, multi-tenant software deployed in the cloud. Our platform, built on Amazon Web Services and Google Cloud Platform, is composed of both proprietary and open-source technologies. Customers can access Workiva solutions with any standard web browser.

We believe the following characteristics highlight our platform’s key competitive advantages:

*Features and Functionality.* Our platform allows customers to connect data from ERP, GRC, HCM and CRM systems, as well as other third-party cloud and on-premise applications with complete control, context, and clarity. Workiva's drag-and-drop data transformation and preparation capabilities deliver previews and provide insights on the fly. Organizations can simply extract data from sources into the Workiva platform where they can perform queries, filter, and clean the datasets, and do it across millions of records that typical spreadsheets can’t handle. Once the data is connected in the Workiva platform, users can automate data and workflow updates, track every change and seamlessly collaborate with colleagues to create trusted reports and regulatory filings.

With our platform’s data-linking capabilities, every change is automatically updated in all linked instances—including narrative and numbers—throughout spreadsheets, word-processing documents, charts and graphs, presentation decks and dashboards in our platform. Linking enables data consistency and ensures that collaborators are working with the most current data.

Our platform's detailed audit trail provides accountability and transparency by tracking every change made by every user over time. A complete record of data provenance and all changes helps our customers mitigate risk, gain insights and make better, data-driven decisions.

With permission controls in our platform, administrators can manage access at all levels so each user can create, review and edit data and documents. This control feature also enables users to grant access to their external auditors, outside counsel and other consultants, which further streamlines the review process and reduces expenses.

*Easy to Deploy and Configure.* The Workiva platform can be deployed within days or weeks for new customers and can be easily configured by the customer for individual employees or entire teams. Because our solutions are browser-based, customers avoid costly, time-intensive deployments typically associated with on-premise enterprise software.

*High Performance.* The architecture, design, deployment and management of our solutions provide enterprise-grade scalability, availability and security. The performance of the Workiva platform has been tested and proven by some of the largest, most demanding enterprises in the world.

*Continuous Improvement.* Frequent collaboration with customers and development iteration allow us to make continuous improvements by releasing a new version of our platform several times each week.

*Scales Rapidly.* The Workiva platform is designed to support millions of end users as a result of its scalability and our relationship with Amazon Web Services and Google Cloud Platform. A number of our customers have reported millions of links to single sources of data, among multiple documents, spreadsheets and presentations, without any discernible negative effects on performance.

*Secure.* Many of the largest enterprises in the world trust us with their most sensitive data. We employ stringent data security, reliability, integrity and privacy practices. In addition to our regular customer security assessments, we engage in continuous and ongoing penetration and vulnerability testing (manual and automatic, internal and third-party) and adhere to standards established by third parties such as FedRAMP and ISO 27001. We also engage third-party auditors to evaluate our controls against the service organization controls (“SOC”) compliance frameworks.

*Marketplace.* The Workiva Marketplace enables organizations to streamline existing processes and solve new business problems by activating more than 140 ready-made templates, 70+ no-code data connectors, and services from industry experts and trusted partners — all within the Workiva platform’s connected and secure ecosystem. Its offerings include process checklists, carefully organized and linked reports, style guides, perfectly formatted presentations, and more. Accounting, sustainability, audit, financial planning & analysis, financial services, and legal teams can easily add templates or connectors directly into an existing Workiva workspace and optimize workflow with process automation, practical examples, and industry best practices.

### ***Recent Platform Milestones***

In January 2021, we completed the migration of all Workiva customers onto our new platform, which is faster and more scalable with dozens of new capabilities, including improved real-time collaboration, new data importers and exporters, multi-monitor support, drag and drop capabilities, better charts, Workspaces for teams, additional languages and currencies, an improved filing wizard and additional ways to link data.

In April 2021, we launched our newest fit-for-purpose solution, ESG. This end-to-end solution empowers businesses to keep pace with the demand from regulators, ratings agencies, institutional investors and other stakeholders for trusted, transparent data and proof of ESG forward-looking business goals.

In July 2021, we launched the Workiva Marketplace, filled with more than 140 Workiva-built and partner templates, services and 70+ no-code connectors that streamline existing processes and solve new business problems all within the Workiva cloud platform's connected and secure ecosystem.

In August 2021, we announced the strategic tuck-in acquisition of OneCloud, a pioneer in integration platform as a service ("iPaaS") technology. We acquired OneCloud to extend our platform capabilities in data integration and preparation. OneCloud had been an original equipment manufacturer ("OEM") partner of ours since July 2019. OneCloud's technology expanded the Workiva platform, enabling our customers to connect data from third-party sources, such as ERP, GRC, HCM and CRM systems, as well as other third-party cloud and on-premise applications. We believe connecting, harmonizing and controlling data across multiple, disparate source systems further differentiates the Workiva platform. By acquiring OneCloud, we now fully own the complete end-to-end technology of our platform.

In September 2021, we launched a new data preparation capability within the Workiva platform ("Data Prep") that streamlines compliance reporting and empowers collaboration among financial and operational teams across organizations. Data Prep enables everyday business users as well as financial professionals to cleanse, transform, and map incoming data from enterprise systems of record via a simple, no-code interface. Data Prep provides dozens of prebuilt transformations that address the most common data preparation activities, eliminating inconsistencies caused by varying data definitions and harmonizing data into a single reporting standard, easily and intuitively.

In December 2021, we announced the acquisition of AuditNet. AuditNet created the world's first online portal for the global audit community and serves as a primary communications resource with a digital network where 160,000+ audit practitioners access and share content, resources, and audit program tools and templates. AuditNet's content guides internal auditors through changing regulations, emerging risks, different approaches to testing, and new risk and control frameworks. Workiva's acquisition of AuditNet adds to our integrated risk offering and ensures that organizations of all sizes and maturity can turn to the Workiva platform to quickly scale their teams, strengthen risk assurance and greatly improve efficiency in the audit process. The acquisition comes on the heels of Workiva being named a Leader in The Forrester Wave™: Governance Risk and Compliance Platforms Q3 2021 Report, and showcases Workiva's investment in and commitment to the future transformation of audit.

In December 2021 we completed the acquisition of Arelle, the only open-source XBRL validation engine that transforms and improves data quality, transparency and trust for global businesses. Arelle technology is already deeply integrated into the Workiva platform, utilized by all Workiva solutions that use XBRL, including SEC reporting, FERC reporting, global statutory reporting, ESEF and ESG.

## **Research and Development**

Our research and development organization is responsible for the design, development, testing and validation of our platform and fit-for-purpose solutions. We focus on innovating and developing new solutions and furthering the openness and extensibility of our platform. We believe that delivering new functionality for our customers is an integral part of our product strategy and provides our customers with access to a broad array of options and information critical to enhancing their reporting, disclosure and digital transformation efforts. We have made, and expect that we will continue to make, significant investments in research and development to broaden our platform capabilities, strengthen our existing solutions, enhance our user experience, and develop new solutions. We focus on customer engagement to envision the future of our platform to bring about new capabilities and versions of existing solutions to market quickly in order to remain competitive in the marketplace.

## **Customers**

Thousands of organizations, including global enterprises with hundreds of thousands of employees, trust Workiva. As of December 31, 2021, we had more than 4,300 customers. Our customers are passionate, loyal supporters of our solutions, as demonstrated by our subscription and support revenue retention rate of 97.0% as of the December 2021 measurement date. Our subscription and support revenue retention rate including add-on solutions was 110.0% as of December 31, 2021.

## **Competition**

The intensity and nature of our competition vary significantly across our different solutions, as changes in regulation and market trends result in evolving customer requirements and demand for enterprise software. Our primary competitors include:

- Status quo, manual business processes that rely on legacy software productivity tools;
- Diversified enterprise software providers;
- Niche software providers that provide point solutions;
- Providers of professional services, including consultants and financial printers;
- Governance, risk and compliance software providers; and
- Business intelligence / performance management software providers.

As our markets expand, we expect to compete with more highly specialized software vendors, as well as larger vendors that may continue to acquire or bundle their products more effectively.

The principal competitive factors in our market include: product features, reliability, performance and effectiveness; product line breadth, diversity and applicability; product extensibility and ability to integrate with other technology infrastructures; price and total cost of ownership; adherence to industry standards and certifications; strength of sales and marketing efforts; and brand awareness and reputation. We believe that our cloud-based platform has the combination of features and value to our customers that will continue to allow us to compete effectively.

## **Sales and Marketing**

Our “land-and-expand” sales strategy focuses on acquiring new customers and selling additional solutions to existing customers. We believe that we have penetrated only a small fraction of our market opportunity. We intend to continue investing in sales and marketing to drive growth in the U.S., Canada, Europe and parts of the Asia-Pacific region and Latin America.

## ***Sales***

Our sales organization employs a combination of field sales, inside sales and partnership channels.

Our sales organization comprises sales development representatives, pre-sales engineers and account managers. Our sales development representatives qualify sales-accepted opportunities for our account managers. Our pre-sales engineers focus on solutions and custom product demonstrations and consultative sales. Our account managers work to attract new customers as well as expand our platform into new use cases and departments across our current customers' organizations.

Our customer success and professional services teams also help our account managers build our existing customer relationships by providing advice and best practices that enable users to harness the full power of our platform.

We plan to continue strengthening our sales coverage in our current markets, as well as expand our sales footprint in locations where we see a demand for our solutions. To achieve this growth, we plan to continue hiring motivated sales people with experience in enterprise software sales and in specific geographical regions. We believe that our approach to hiring sales people, along with a progressive training, culture and compensation package will allow us to retain sales talent and continue to drive growth.

In 2021, we continued to expand our ecosystem of partners, including global consulting firms, systems integration and technology firms, and leading regional consulting firms. Our highly skilled advisory and implementation partners offer a wide range of subject-matter expertise that broadens our platform's capabilities and promotes Workiva as part of the digital transformation projects they implement for their customers. Our technology partners enable powerful data and process integrations that enable our customers to connect their existing ecosystem of solutions directly to our platform. Our partners help to extend our customer reach through marketing and promotion and help accelerate the sale and delivery of our platform.

## ***Marketing***

Our marketing organization promotes our brand, generates demand for our offerings, and researches and assesses product market needs. Our advance planning team assesses customer needs, conducts industry-based research and identifies new markets. Our product marketing team develops the go-to-market strategy for Workiva solutions and manages pricing and licensing strategies. The product marketing team also supports our sales team with playbooks that include profiles of typical buyers, key messages, value propositions, competitive analysis and sales strategies.

Our demand generation programs are categorized by technology solution and industry and are focused on engaging business leaders, process owners and technology teams. We use a variety of marketing programs across traditional and social channels to target current and prospective customers. Our marketing team hosts virtual and in-person events to educate prospects and customers and generate demand for our solutions.

## **Customer Success and Professional Services**

Our customer success and professional services teams help our account managers build relationships with customers by providing advice that enables them to harness the full power of our platform.

*Customer Success.* Our customer success team partners with users of our platform to understand their business objectives and offers best practices in the use of our software. We deliver 24/7 live customer support via phone, digital messaging and web-based conferencing. We provide intensive training to our customer success team and segment them for each solution and market focus.

*Professional Services.* Our professional services include initial setup of documents; XBRL mapping, tagging and review; best practices implementation; and business process consulting. Our XBRL team of accounting and financial reporting professionals provide XBRL mapping, tagging and review services to our customers. We also employ a team of consultants who offer services to customers to improve and streamline their Workiva-related data processes.

We pay for employees to maintain professional certifications and licenses that are important to our customers, and we host regular company-wide employee education sessions on business, industry, technology and workplace topics.

## **Intellectual Property**

Our intellectual property and proprietary rights are important to our business. To safeguard these rights, we rely on a combination of patent, trademark, copyright and trade secret laws and contractual protections in the United States and other jurisdictions.

As of December 31, 2021, we had 63 issued patents and 15 patent applications pending relating to our platform. We cannot assure you that any of our patent applications will result in the issuance of a patent or whether the examination process will require us to narrow or otherwise limit our claims. Any patents issued may be contested, designed around, found unenforceable, or invalidated, and we may not be able to prevent third parties from infringing them. We also license software from third parties for integration into our solutions, including open source software and other software available on commercially reasonable terms. We cannot assure you that such third parties will maintain such software or continue to make it available.

We control access to and use of our proprietary software and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, end-customers, and partners, and our software is protected by U.S. and international copyright laws. Despite our efforts to protect our trade secrets and proprietary rights through intellectual property rights, licenses, and confidentiality agreements, unauthorized parties may still copy or otherwise obtain and use our software and technology. In addition, we intend to expand our international operations, and effective patent, copyright, trademark, and trade-secret protection may not be available or may be limited in foreign countries.

If we continue to be successful, we believe that competitors will be more likely to try to develop solutions and services that are similar to ours and that may infringe our proprietary rights. It may also be more likely that competitors or other third parties will claim that our platform infringes their proprietary rights.

Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. In particular, leading companies in the enterprise software industry have extensive patent portfolios and are regularly involved in both offensive and defensive litigation. From time to time, third parties, including certain of these leading companies, may assert claims of infringement, misappropriation or other violations of intellectual property rights against us, and our standard license and other agreements obligate us to indemnify our customers against such claims. Successful claims of infringement by a third party could prevent us from distributing certain solutions or performing certain services, require us to expend time and money to develop non-infringing solutions, or force us to pay substantial damages (including enhanced damages if we are found to have willfully infringed patents or copyrights), royalties or other fees. In addition, to the extent that we gain greater visibility and market exposure as a public company, we face a higher risk of being the subject of intellectual property infringement claims from third parties. We cannot assure you that we do not currently infringe, or that we will not in the future infringe, upon any third-party patents, copyrights or other proprietary rights.

We have registered a number of trademarks and logos, including “Workiva,” “Wdesk” and “Wdata” with the United States Patent and Trademark Office and in several jurisdictions outside the United States. We have also registered other trademarks in the United States and in other jurisdictions outside the United States. In addition, we intend to expand our international operations, and we cannot assure you that these names will be available for use in all such jurisdictions.

### **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. 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.

### **Government Regulations**

We believe that our businesses and operations are in substantial compliance with all applicable government laws and regulations. Any additional measures to maintain compliance are not expected to materially affect our capital expenditures, competitive position, financial position or results of operations. Various legislative and administrative regulations applicable to us have become effective or are under consideration in many parts of the world. To date, such developments have not had a substantial adverse impact on our revenues, earnings or cash flows. However, if new or amended laws or regulations impose significant operational restrictions and compliance requirements upon us or our business, our capital expenditures, results of operations, financial condition and competitive position could be negatively impacted. Refer to Item 1A. Risk Factors for further information.



## **Environmental, Social and Governance (ESG)**

We believe society expects more from the business community: authenticity, trust, truth, and transparency. These expectations lie at the heart of what Workiva does for customers and ourselves. We are committing to ESG through authentic and purposeful action—supporting our people and customers, protecting the environment, and conducting good business practices. When it comes to our company’s ESG responsibilities, Workiva tracks a course for consistent progress and excellence. We’ve established a guiding ESG strategy to ensure that we advance trust and belonging in our workforce and industry, stand for truth in our customer and partner interactions and in marketing practices, and stay consistently transparent about our impact with society and our employees across our value chain.

Along with the creation of our ESG strategy, we have also created our ESG governance structure, materiality approach, stakeholder engagement process, and alignment with United Nations Sustainable Development Goals (UN SDGs) and the Task Force on Climate-Related Disclosures (TCFD). To learn more about Workiva’s ESG efforts, track our progress in developing forward-looking commitments and key performance indicators, go to [workiva.com/sustainability](https://workiva.com/sustainability).

## **Human Capital**

Workiva is a great place to work and has trusted and equipped our employees to work from wherever and whenever is best for them. We have been on the Fortune 100 Best Companies to Work For® list since 2019 and attribute our success to our values-based culture. We boast an employee engagement rate of 95% and an employee attrition rate of 15% that is better than industry average. Workiva offers market-competitive compensation and benefits to attract and retain the best employees.

By staying true to our company values, we have become a stronger and even more innovative team. As of December 31, 2021, Workiva employed 2,106 full-time people worldwide. Our headcount as of December 31, 2021 increased 22.6% from 1,718 full-time employees as of December 31, 2020.

Innovation thrives when people feel welcomed, valued, respected, and heard. Diversity, equity and inclusion are core values at Workiva, and an important component of our social commitment in our ESG strategy. We strive to create a workplace where everyone is comfortable bringing their best, authentic self to work every day. As we scale, we know that continuing to develop our workforce is essential to our growth.

Workiva fosters a work environment that encourages fairness, teamwork, and respect among all employees. We value all backgrounds, beliefs and interests, and we recognize this diversity as an important source of our innovation and success. We believe that our culture of diversity, equity and inclusion increases employee engagement, empowerment and satisfaction. As of December 31, 2021, women represented 39% of our global workforce and 33% of our leadership (director and above). As of December 31, 2021, 18% of our U.S. employees and 15% of our U.S. leadership (director and above) were from underrepresented racial/ethnic groups. Increasing diversity in our workforce and key operational leadership roles will remain an organizational priority. Current key initiatives include Employee Resource Groups (“ERG”), learning and development and talent acquisition. The Company maintains its ERG chapters globally across seven categories: Ethnic diversity, LGBTQ+, Veterans, Women in Technology, Women in Sales, Parents and Caregivers, and Employees who work remotely. Each ERG is sponsored and supported by senior leaders across the enterprise.

The health and safety of our colleagues and anyone who enters our workplace around the world is of paramount importance to Workiva. As part of our ongoing response to the global pandemic of respiratory disease (abbreviated “COVID-19”), we continued reopening our offices in 2021 with reduced capacity due to local business necessities, differences in laws, culture and employee needs. We have had to close certain offices at different times during the year to account for developments related to

COVID-19, and in accordance with local laws and regulations. For those offices that have remained open, we have advised all employees that working from home is the safest course of action. Additionally, in order to maximize the health and safety of our workforce and promote transparency about our plans, we continued with bi-monthly communication from senior leaders regarding the impacts of COVID-19 on the workforce and the Company and work from home flexibility, while initiating new protocols across all offices under the direction of our COVID-19 task force.

None of our U.S. employees is represented by a labor organization or is a party to any collective bargaining arrangement. We have never experienced a strike or similar work stoppage, and we consider our relations with our employees to be good. For the fiscal year ended December 31, 2021, employee compensation and benefits accounted for approximately 83% of our total operating expense.

### **Corporate Information**

Workiva Inc. is a Delaware corporation with principal executive offices located at 2900 University Boulevard, Ames, Iowa 50010. Our telephone number is (888) 275-3125 and our website address is [www.workiva.com](http://www.workiva.com).

Copies of annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) and 15(d) of the Exchange Act, are available, free of charge, on our website as soon as reasonably practicable after we file such material electronically with or furnish it to the SEC. The SEC also maintains a website that contains our SEC filings. The address of the site is [www.sec.gov](http://www.sec.gov).

## Item 1A. Risk Factors

*Our operations and financial results are subject to various risks and uncertainties, including those described below. You should carefully consider the following risks and all of the other information contained in this report, including our consolidated financial statements and related notes, before investing in any of our securities. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks, or other risks and uncertainties that are not yet identified or that we currently think are immaterial, actually occur, our business, financial condition, results of operations and future prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline. We may amend, supplement or add to the risk factors described below from time to time in future reports filed with the SEC.*

### Summary of Risk Factors

We are providing the following summary of the risk factors contained in this Form 10-K to enhance the readability and accessibility of our risk factor disclosures. We encourage our stockholders to carefully review the full risk factors contained in this Form 10-K in their entirety for additional information regarding the risks and uncertainties that could cause our actual results to vary materially from recent results or from our anticipated future results.

### Risks Related to Our Business and Industry

- We derive a majority of our revenue from customers using our platform for SEC filings.
- We cannot accurately predict subscription renewal or upgrade rates.
- Failure to manage our growth may adversely affect our business or operations.
- Our revenue growth rate in recent periods may not be indicative of our future performance.
- We have not been profitable historically and may not achieve or maintain profitability in the future.
- Our quarterly results may fluctuate significantly.
- Our solutions face intense competition in the marketplace.
- Our revenue growth will depend in part on the success of our efforts to augment our direct-sales channels by developing relationships with third parties.
- Adverse economic conditions or reduced technology spending may adversely impact our business.
- If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success.
- We depend on our senior management team and other key employees.
- The COVID-19 pandemic has impacted our business, and its ultimate impact on our business and financial results is uncertain.
- Our workforce is our primary operating expense and subjects us to risks associated with increases in the cost of labor.
- Operations outside the United States expose us to risks inherent in international sales.
- A significant fluctuation between the U.S. Dollar and other currencies could adversely impact our operating results.
- Fixed-fee engagements with customers may not meet our expectations if we underestimate the cost of these engagements.
- If we fail to continue to develop our brand, our business may suffer.

- Legislative and regulatory changes could adversely affect our business.
- We may need to raise additional capital, which may not be available to us.
- We have acquired, and may continue to acquire, other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and adversely affect our operating results.
- Because we recognize revenue over the term of each subscription, downturns or upturns in sales may not be immediately reflected in our operating results.
- We are subject to general litigation that may materially adversely affect us.
- A failure to maintain adequate internal controls over our financial and management systems could cause errors in our financial reporting, which could cause a loss of investor confidence and result in a decline in the price of our Class A common stock.
- Our relatively limited operating history makes it difficult to predict our future operating results.

#### Risks Related to Technology and Intellectual Property

- If we or our service providers fail to keep our customers' information confidential or otherwise handle their information improperly, our business and reputation could be adversely affected.
- The success of our cloud-based software largely depends on our ability to provide reliable solutions to our customers.
- Any failure to offer high-quality technical support services may adversely affect our relationships with our customers.
- Failure to establish and maintain partnerships that can provide complementary technology offerings and software integrations could limit our ability to grow our business.
- If we do not keep pace with technological changes, our solutions may become less competitive.
- If we fail to manage our technical operations infrastructure, our existing customers may experience service outages, and our new customers may experience delays in the deployment of our solutions.
- The inability to maintain software licenses, or the existence of errors in the software we license could result in increased costs or reduced service levels.
- Any failure or interruptions in the internet infrastructure, bandwidth providers, data center providers, other third parties or our own systems could negatively impact our business.
- Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our solutions.
- We are subject to U.S. and foreign data privacy and protection laws and regulations as well as contractual privacy obligations.
- Any failure to protect our intellectual property rights or defend against accusations of infringement of third-party intellectual property rights could impair our ability to protect our proprietary technology and our brand.
- Some of our solutions utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

#### Risks Related to Taxes

- The adoption of new tax legislation could adversely affect our business and financial condition.
- Determining our income tax rate is complex and subject to uncertainty.
- Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.

### Risks Related to Ownership of Our Securities

- Our stock price has been and will likely continue to be volatile or may decline regardless of our operating performance.
- If there are substantial sales of shares of our Class A common stock or some or all of our convertible senior notes are converted and sold, the price of our Class A common stock could decline.
- The dual class structure of our common stock concentrates voting control with certain of our executives.
- Anti-takeover provisions in our charter documents, our convertible senior notes and Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and may negatively affect the market price of our Class A common stock.
- We do not intend to pay dividends for the foreseeable future.

### Risks Related to our Indebtedness

- The conditional conversion feature of our convertible senior notes may adversely affect our financial condition and operating results.
- Servicing our debt requires a significant amount of cash.

### **Risks Related to Our Business and Industry**

#### ***We derive a majority of our revenue from customers using our platform for SEC filings.***

We derive a majority of our revenue from customers using our platform for SEC filings. We sell a variety of other solutions, including global statutory reporting, SOX, capital markets, enterprise risk management and audit management, but the introduction of new solutions beyond the SEC market may not be successful. Although non-SEC solutions generated 70% of new solution and new customer bookings in 2021, it is uncertain whether they will achieve the level of market acceptance we have achieved in the SEC market. Any factor adversely affecting sales of our platform or solutions, including release cycles, market acceptance, competition, performance and reliability, reputation and regulatory, economic and market conditions, could adversely affect our business and operating results.

***We cannot accurately predict subscription renewal or upgrade rates.***

Our business depends substantially on customers renewing their subscriptions with us and expanding their use of our services. Our customers have no obligation to renew their subscriptions for our services after the expiration of their current subscription period. While we have historically maintained a subscription and support revenue retention rate of greater than 94%, we may be unable to maintain this historical rate and we may be unable to accurately predict our subscription and support revenue retention rate. In addition, our customers may renew for shorter contract lengths, lower prices or a reduced scope of service. We cannot accurately predict new subscription or expansion rates and the impact these rates may have on our future revenue and operating results. Our renewal rates may decline or fluctuate as a result of a number of factors, including customer dissatisfaction with our service, customers' ability to continue their operations and spending levels and deteriorating general economic conditions. If our customers do not renew their subscriptions for our service, purchase fewer solutions at the time of renewal, or negotiate a lower price upon renewal, our revenue will decline and our business will suffer. Our future success also depends in part on our ability to sell additional solutions and services, more subscriptions or enhanced editions of our services to our current customers, which may also require increasingly sophisticated and costly sales efforts that are targeted at senior management. If our efforts to sell additional solutions and services to our customers are not successful, our growth and operations may be impeded.

***Failure to manage our growth may adversely affect our business or operations.***

Since our formation, we have experienced significant growth in our business, customer base, employee headcount and operations, and we expect to continue to expand our business over the next several years. This growth places a significant strain on our management team and employees as well as our operating and financial systems. To manage our future growth, we must continue to scale our business functions, improve our financial and management controls and our reporting systems and procedures and expand and train our work force. In particular, we grew from 1,718 employees as of December 31, 2020 to more than 2,100 employees as of December 31, 2021. We anticipate that additional investments in sales personnel, infrastructure and research and development spending will be required to:

- scale our operations and increase productivity;
- address the needs of our customers;
- further develop and enhance our existing solutions and offerings;
- develop new technology; and
- expand our markets and opportunity under management, including into new solutions and geographic areas.

We cannot assure you that our controls, systems and procedures will be adequate to support our future operations or that we will be able to manage our growth effectively. We also cannot assure you that we will be able to continue to expand our market presence in the United States, Europe, Asia Pacific region and other current markets or successfully establish our presence in other markets. Failure to effectively manage growth could result in difficulty or delays in deploying customers, declines in quality or customer satisfaction, increases in costs, difficulties in introducing new features or other operational difficulties, and any of these difficulties could adversely impact our business performance and results of operations.

***Our revenue growth rate in recent periods may not be indicative of our future performance.***

We experienced revenue growth rates of 26%, 18% and 22% in fiscal 2021, 2020 and 2019, respectively. Our historical revenue growth rates are not indicative of future growth, and we may not achieve similar revenue growth rates in future periods. You should not rely on our revenue or revenue growth for any prior quarterly or annual periods as any indication of our future revenue or revenue growth. If we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability.

***We have not been profitable historically and may not achieve or maintain profitability in the future.***

We have posted a net loss in each fiscal year since we began operations in 2008, including net losses of approximately \$37.7 million in fiscal 2021, \$48.4 million in fiscal 2020 and \$47.5 million in fiscal 2019. While we have experienced continued revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of subscriptions to sustain or increase our growth or achieve or maintain profitability in the future. In addition, we plan to continue to invest in our infrastructure, new solutions, research and development and sales and marketing, and as a result, we cannot assure you that we will achieve or maintain profitability. Because we intend to continue spending in anticipation of the revenue we expect to receive from these efforts, our expenses will be greater than the expenses we would incur if we developed our business more slowly. In addition, we may find that these efforts are more expensive than we currently anticipate, which would further impact our profitability.

***Our quarterly results may fluctuate significantly.***

Our quarterly results of operations, including the levels of our revenue, gross margin, profitability, cash flow and deferred revenue, may vary significantly in the future due to a variety of factors, including the risks and uncertainties described herein, and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Fluctuations in quarterly results may negatively affect the value of our Class A common stock.

In addition, we have historically experienced seasonal variations in our revenue from professional services as many of our customers employ our professional services just before they file their Form 10-K with the SEC in the first calendar quarter. The majority of our SEC customers report their financials on a calendar year basis. While we expect our professional services revenue to become less seasonal as our non-SEC offerings grow, a significant portion of our revenue may continue to reflect seasonality, which makes it difficult to predict our future operating results.

***Our solutions face intense competition in the marketplace.***

The market for our solutions is increasingly competitive, rapidly evolving and fragmented, and is subject to changing technology and shifting customer needs. Although we believe that our platform and the solutions that it offers are unique, many vendors develop and market products and services that compete to varying extents with our offerings, and we expect competition in our market to continue to intensify. Moreover, industry consolidation may increase competition. In addition, many companies have chosen to invest in their own internal reporting solutions and therefore may be reluctant to switch to solutions such as ours.

We compete with many types of companies, including diversified enterprise software providers; providers of professional services, such as consultants and business and financial printers; governance, risk and compliance software providers; business intelligence/corporate performance management software providers; and business reporting software providers. Our competitors may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, standards or customer requirements. We could lose customers if our competitors introduce new competitive products, add new features, acquire competitive products, reduce prices, form strategic alliances with other companies or are acquired by third parties with greater available resources. We may also face increasing competition from open source software initiatives, in which competitors may provide software and intellectual property for free. In addition, if a prospective customer is currently using a competing solution, the customer may be unwilling to switch to our solutions without access to setup support services. If we are unable to provide those services on terms attractive to the customer, the prospective customer may be unwilling to utilize our solutions. If our competitors' products, services or technologies become more accepted than our solutions, if they are successful in bringing their products or services to market earlier than ours, or if their products or services are more technologically capable than ours, then our revenue could be adversely affected. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses or a failure to maintain or improve our competitive market position, any of which would adversely affect our business.

***Our revenue growth will depend in part on the success of our efforts to augment our direct-sales channels by developing relationships with third parties.***

We have established strategic relationships with global advisory firms, regional consulting and implementation firms and technology partners. We expect these parties to contribute to our growth through referrals, influencing purchases and enhancing our value proposition through advisory and implementation services. We plan to continue to expand our partner ecosystem and build relationships with third parties. Identifying partners, negotiating and supporting relationships with them, on-boarding those firms into our ecosystem and maintaining relationships requires a significant commitment of time and resources that may not yield a significant return on our investment. If we are unsuccessful in establishing or maintaining our relationships with partners, or if these partners are unsuccessful in marketing or selling our solutions, or are unable or unwilling to devote sufficient resources to these activities, our ability to compete in the marketplace or to grow our revenue could be impaired and our operating results may suffer. Furthermore, our partners rely on highly skilled and trained professionals to position the platform in the market and to provide implementation and consulting services to our customers. We have formal training and enablement programs for our partners; however, our enablement efforts may be ineffective. If we do not adequately develop and maintain a sufficient number of qualified and trained partner professionals with knowledge of our solutions and our platform, we may suffer from services not being delivered correctly, improper expectations being set with our customers and customers therefore choosing not to expand the use of our platform or deciding not to renew their subscriptions. Also, our partners may have relationships with our competitors and experience with other products or services that could be used as substitutes for our platform. These relationships and product experience may result in our partners recommending our competitors' products or services over our own products or services. In addition, new or emerging technologies and technological trends or changes in customer requirements may result in certain third parties de-emphasizing their dealings with us or becoming potential competitors in the future.



***Adverse economic conditions or reduced technology spending may adversely impact our business.***

Our business depends on the overall demand for technology and on the economic health of our current and prospective customers. Global financial developments and global health crises or pandemics may harm us, including disruptions or restrictions on our employees' ability to work and travel. In general, weakened global economic conditions, including those from the ongoing COVID-19 pandemic, make it difficult for our customers, prospective customers and us to forecast and plan future business activities accurately. Weak global economic conditions or a reduction in technology spending could adversely impact our business, financial condition and results of operations in a number of ways, including longer sales cycles, lower prices for our solutions, reduced bookings and lower or no growth. Additionally, our capital markets business can serve as a point of entry for customers to our platform. The growth of our capital markets and SEC businesses are based in part on the strength of the IPO/special-purpose acquisition company ("SPAC") market, which can fluctuate. A significant decline in the IPO/SPAC market could adversely affect sales of our capital markets solution and potentially other solutions.

In addition, the uncertainty and instability surrounding the implementation and effect of "Brexit," the United Kingdom's decision to leave the European Union, may cause increased economic volatility. The longer term economic, legal, political and social implications of Brexit are unclear at this stage. Changes impacting our ability to conduct business in the U.K. or other E.U. countries, or changes to the regulatory regime applicable to our operations in those countries, may cause disruptions to and create uncertainty surrounding our business in the U.K. and E.U. Brexit has resulted in significant volatility in global stock market and currency exchange rate fluctuations. Further, uncertainty around these and related issues could lead to adverse effects on the economy of the U.K. and the other economies in which we operate. Any of these events could have a material adverse effect on our business operations, results of operations and financial condition.

***If we cannot maintain our corporate culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success.***

We believe our corporate culture is a critical component to our success. We have invested substantial time and resources in building our team. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain our corporate culture. Any failure to preserve our culture could negatively affect our future success, including our ability to retain and recruit personnel and effectively focus on and pursue our corporate objectives.

***We depend on our senior management team and other key employees.***

We rely on our leadership team and other key employees. From time to time, there are changes in our management team resulting from the hiring or departure of executives or other key employees, which could disrupt our business. Our senior management and key employees are generally employed on an at-will basis, which means that they could terminate their employment with us at any time. The loss of one or more of our executive officers or key employees could have a material adverse effect on our business.

Further, to execute our growth plan, we must attract and retain highly qualified personnel. Competition for these individuals is intense, especially for engineers with high levels of experience in designing and developing software and internet-related services, senior sales executives and professional services personnel with appropriate financial reporting experience. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees have breached their legal obligations or that we have induced such breaches, resulting in a diversion of our time and resources. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected.

***The COVID-19 pandemic has impacted our business, and its ultimate impact on our business and financial results is uncertain.***

The COVID-19 pandemic has significantly impacted the global economy, disrupted global supply chains and created significant volatility and disruption in financial markets, and increased unemployment levels. While it remains a developing situation, the pandemic and any quarantines, interruptions in travel and business disruptions with respect to us, our customers or partners have had and will continue to have an impact on our business. Although we are continuing to monitor and assess the effects of the COVID-19 pandemic, the ultimate impact of the COVID-19 pandemic on our business remains highly uncertain and will depend on certain developments, including the duration and spread of the outbreak, impact on our customers and our sales cycles, and effect on our vendors, all of which are uncertain and cannot be predicted.

As a result of the work and travel restrictions relating to the ongoing COVID-19 outbreak, substantially all of our sales and operating activities are being conducted remotely. This global work-from-home operating environment may adversely impact the productivity of certain employees, and these conditions may persist and harm our business, including our future operating results. The pandemic and accompanying market volatility, uncertainty and economic disruption may also have the effect of heightening many of the other risks described in the “Risk Factors” set forth in this Annual Report on Form 10-K.

***Our workforce is our primary operating expense and subjects us to risks associated with increases in the cost of labor.***

Labor is our primary operating expense. We may face labor shortages or increased labor costs because of increased competition for employees, higher employee turnover rates, or increases in employee benefit costs. If labor-related expenses increase, our operating expense could increase, which would adversely affect our business, financial condition and results of operations.

We are subject to the Fair Labor Standards Act (“FLSA”) and various federal and state laws governing such matters as minimum wage requirements, overtime compensation and other working conditions, citizenship requirements, discrimination and family and medical leave. In recent years, a number of companies have been subject to lawsuits, including class action lawsuits, alleging violations of federal and state law regarding workplace and employment matters, overtime wage policies, discrimination and similar matters. A number of these lawsuits have resulted in the payment of substantial damages by the defendants. Similar lawsuits may be threatened or instituted against us from time to time, and we may incur substantial damages and expenses resulting from lawsuits of this type, which could have a material adverse effect on our business, financial condition or results of operations.

***Operations outside the United States expose us to risks inherent in international sales.***

A key element of our growth strategy is to expand our international operations and develop a worldwide customer base. A growing portion of our revenue is from customers headquartered outside the United States. Operating in international markets requires significant resources and management attention and subjects us to regulatory, economic and political risks that are different from those in the United States. Because of our limited experience with international operations, our international expansion efforts may not be successful in creating additional demand for our solutions outside of the United States or in effectively selling subscriptions to our solutions in all of the international markets we enter. In addition, we face risks in doing business internationally that could adversely affect our business, including:

- the need to localize and adapt our solutions for specific countries, including translation into foreign languages and associated expenses;
- increased management, travel, infrastructure, legal compliance and regulation costs associated with having multiple international operations;
- sales and customer service challenges associated with operating in different countries;
- data privacy laws that require customer data to be stored and processed in a designated territory;
- inadequate local infrastructure and difficulties in staffing and managing foreign operations;
- different pricing environments and longer sales and collection cycles;
- new and different sources of competition;
- difficulties in enforcing intellectual property and other rights outside of the United States;
- laws and business practices favoring local competitors;
- compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations;
- increased financial accounting and reporting burdens and complexities;
- restrictions on the transfer of funds;
- an uncertain trade environment;
- adverse tax consequences;
- unstable regional economic and political conditions;
- liquidity issues, including due to political actions by sovereign nations with a controlled currency environment, which could result in decreased values of cash balances or potential difficulties protecting our foreign assets or satisfying local obligations;
- difficulties in obtaining export licenses for certain technology, tariffs, quotas and other trade barriers;
- issues resulting from operations in locations with a higher incidence of corruption and fraudulent business practices;
- challenges in integrating acquisitions with foreign operations; and

- natural disasters, acts of war, terrorism, security breaches, pandemics or other health crises, including the ongoing COVID-19 pandemic.

Some of our third-party business partners have international operations and are also subject to these risks and if our third-party business partners are unable to appropriately manage these risks, our business may be harmed.

***A significant fluctuation between the U.S. Dollar and other currencies could adversely impact our operating results.***

Although our financial results are reported in U.S. Dollars, a portion of our sales and operating costs are realized in other currencies, with the largest concentration of foreign sales occurring in Europe. We anticipate that over time, an increasing portion of our international contracts may be denominated in local currencies. Therefore, fluctuations in the value of the U.S. Dollar and foreign currencies may impact our operating results when translated into U.S. Dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. Significant long-term fluctuations in relative currency values, and in particular, an increase in the value of the U.S. Dollar against foreign currencies, could have an adverse effect on our operating results.

***Fixed-fee engagements with customers may not meet our expectations if we underestimate the cost of these engagements.***

We provide certain professional services on a fixed-fee basis. When making proposals for fixed-fee engagements, we estimate the costs and timing for completing the engagements. We provide professional services on both SEC and non-SEC solutions, including our financial services, integrated risk, global statutory reporting and FERC reporting solutions. Professional services on non-SEC solutions usually involve a different mix of subscription, support and services than professional services on our SEC solution. Growth in professional services on non-SEC solutions may impact our gross margins in ways that we cannot predict. If we are required to spend more hours than planned to perform these services, our cost of services revenue could exceed the fees charged to our customers on certain engagements and could cause us to recognize a loss on a contract, which would adversely affect our operating results. In addition, if we are unable to provide these professional services, we may lose sales or incur customer dissatisfaction, and our business and operating results could be significantly harmed.

***If we fail to continue to develop our brand, our business may suffer.***

We believe that continuing to develop and maintain awareness of our brand is critical to achieving widespread acceptance of our solution and is an important element in attracting and retaining customers. Efforts to build our brand may involve significant expense and may not generate customer awareness or increase revenue at all, or in an amount sufficient to offset expenses we incur in building our brand.

Promotion and enhancement of our name and the brand names of our solutions depends largely on our success in being able to provide high quality, reliable and cost-effective solutions. If customers do not perceive our solutions as meeting their needs, or if we fail to market our solutions effectively, we will likely be unsuccessful in creating the brand awareness that is critical for broad customer adoption of our solutions. That failure could result in a material adverse effect on our business, financial condition and operating results.

***Legislative and regulatory changes could adversely affect our business.***

The market for our solutions depends in part on the requirements of the SEC, the Federal Reserve System, the Federal Deposit Insurance Corporation and other regulatory bodies. Any legislation or rulemaking substantially affecting the content or method of delivery of documents to be filed with these regulatory bodies could have an adverse effect on our business. Uncertainty caused by political change in the United States and Western Europe (including Brexit) heightens regulatory uncertainty in these areas. New legislation, or a significant change in rules, regulations, directives or standards could reduce demand for our products and services, increase expenses as we modify our products and services to comply with new requirements and retain relevancy, impose limitations on our operations, and increase compliance or litigation expense, each of which could have a material adverse effect on our business, financial condition and results of operations.

***We may need to raise additional capital, which may not be available to us.***

Our future liquidity and capital requirements are difficult to predict as they depend upon many factors, including the success of our solutions and competing technological and market developments. In the future, we may require additional capital to respond to business opportunities, challenges, acquisitions or unforeseen circumstances, and we may not be able to timely secure additional debt or equity financing on favorable terms, or at all. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters. If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences and privileges senior to those of holders of our Class A common stock.

***We have acquired, and may continue to acquire, other companies or technologies, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and adversely affect our operating results.***

We have acquired and may in the future seek to acquire or invest in businesses, applications or technologies that we believe could complement or expand our solutions, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. In addition, we have limited experience in acquiring other businesses. For businesses we have acquired or may acquire, we may not be able to integrate the acquired customers, personnel, operations and technologies successfully or effectively manage the combined business following the acquisition.

***Because we recognize revenue over the term of each subscription, downturns or upturns in sales may not be immediately reflected in our operating results.***

We generally recognize subscription and support revenue from customers ratably over the terms of their subscription agreements, which are typically on an annual cycle and automatically renew for additional periods. As a result, a substantial portion of the revenue we report in each quarter will be derived from the recognition of deferred revenue relating to subscription agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may not be immediately reflected in our revenue results for that quarter. Accordingly, the effect of any significant downturns in sales, including changes as a result of the ongoing COVID-19 pandemic, may not be fully reflected in our results of operations until future periods.

***We are subject to general litigation that may materially adversely affect us.***

From time to time, we may be involved in disputes or regulatory inquiries that arise in the ordinary course of business. We expect that the number and significance of these potential disputes may increase as our business expands and our company grows larger. While our agreements with customers limit our liability for damages arising from our solutions, we cannot assure you that these contractual provisions will protect us from liability for damages in the event we are sued. Although we carry general liability insurance coverage, our insurance may not cover all potential claims to which we are exposed or may not be adequate to indemnify us for all liability that may be imposed. Any claims against us, whether meritorious or not, could be time consuming, result in costly litigation, require significant amounts of management time, and result in the diversion of significant operational resources. Because litigation is inherently unpredictable, we cannot assure you that the results of any of these actions will not have a material adverse effect on our business, financial condition, results of operations and prospects.

***A failure to maintain adequate internal controls over our financial and management systems could cause errors in our financial reporting.***

We must maintain effective financial and management systems and internal controls to meet our public company reporting obligations. Moreover, SOX requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. If we have a material weakness or deficiency in our internal control over financial reporting, we may not detect errors on a timely basis and our financial statements may be materially misstated. Effective internal controls are necessary for us to produce reliable financial reports and are important to prevent fraud. As a result, our failure to maintain effective financial and management systems and internal controls could result in errors in our financial reporting, us being subject to regulatory action and a loss of investor confidence in the reliability of our financial statements.

***Our relatively limited operating history makes it difficult to predict our future operating results.***

We were founded in 2008 and have a relatively limited operating history. We began offering our first solution in 2010 and launched our platform in 2013. As a result of our limited operating history, our ability to forecast our future operating results is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. We have encountered and will encounter risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If our assumptions regarding these risks and uncertainties (which we use to plan our business) are incorrect or change due to changes in our markets, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

## **Risks Related to Technology and Intellectual Property**

***If we or our service providers fail to keep our customers' information confidential or otherwise handle their information improperly, our business and reputation could be adversely affected.***

Because data security is a critical competitive factor in our industry, we make numerous statements in our privacy policy and customer agreements, through our certifications to privacy standards and in our marketing materials, providing assurances about the security of our platform. If we fail to keep customers' proprietary information and documentation confidential, we may lose existing customers and potential new customers and may expose them to significant damages based on the premature release of confidential information. While we have security measures in place to protect customer information and prevent data loss and other security breaches, these measures may be breached as a result of third-party action, employee error, malfeasance or otherwise. Because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures.

In addition, certain of our service providers (including, without limitation, hosting facilities, disaster recovery providers and software providers) have access to our customers' data and could suffer security breaches or data losses that affect our customers' information. If an actual or perceived security breach or premature release occurs, our reputation could be damaged and we may lose future sales and customers. We may also become subject to civil claims, including indemnity or damage claims in certain customer contracts, or criminal investigations by appropriate authorities, any of which could harm our business and operating results. Furthermore, while our errors and omissions insurance policies include liability coverage for these matters, if we experienced a widespread security breach that impacted a significant number of our customers for whom we have these indemnity obligations, we could be subject to indemnity claims that exceed such coverage.

***The success of our cloud-based software largely depends on our ability to provide reliable solutions to our customers.***

Because our solutions are complex and we continually release new features, our solutions could have errors, defects, viruses or security flaws that could result in unanticipated downtime for our subscribers and harm our reputation and our business. Since our customers use our solutions for important aspects of their business, any errors, defects, disruptions in access, security flaws, viruses, data corruption or other performance problems associated with our solutions could hurt our reputation and may damage our customers' businesses. If that occurs, customers could elect not to renew their subscriptions, could delay or withhold payment to us or may make warranty or other claims against us. In addition, if the public becomes aware of a security breach of our solutions, our future business prospects could be adversely impacted.

***Any failure to offer high-quality technical support services may adversely affect our relationships with our customers.***

Once our solutions are deployed, our customers depend on our customer success organization to resolve technical issues relating to our solutions. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services without incurring additional expenses or at all. Increased customer demand for these services, without corresponding revenue, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on our solutions and business reputation and on positive recommendations from our existing customers.



***Failure to establish and maintain partnerships that can provide complementary technology offerings and software integrations could limit our ability to grow our business.***

Our growth strategy includes expanding the use of our platform through complementary technology offerings and software integrations, such as third-party application programming interfaces, or APIs. While we have established relationships with certain providers of complementary technology offerings and software integrations, we cannot assure you that we will be successful in maintaining partnerships with these providers or in establishing additional partnerships of this type. Third-party providers of complementary applications and APIs may decline to enter into partnerships with us or may later terminate their relationships with us, change the features of their applications and platforms, restrict our access to their applications and platforms or alter the terms governing use of their applications and APIs and access to those applications and platforms in an adverse manner. Such changes could functionally limit or terminate our ability to use these third-party applications and platforms with the Workiva platform. Further, if we fail to integrate the Workiva platform with new third-party applications and platforms that our customers use, or to adapt to the data transfer requirements of such third-party applications and platforms, we may not be able to offer the functionality that our customers need. In addition, we may benefit from these partners' brand recognition, reputations, referrals and customer bases. Any losses or shifts in the referrals from or the market positions of these partners in general, in relation to one another or to new competitors or new technologies could lead to losses in our relationships or customers or our need to identify or transition to alternative channels for marketing our solutions.

***If we do not keep pace with technological changes, our solutions may become less competitive.***

Our market is characterized by rapid technological change, frequent product and service innovation and evolving industry standards. If we are unable to provide enhancements and new features for our existing solutions or new solutions that achieve market acceptance or that keep pace with these technological developments, our business could be adversely affected. For example, we focus on enhancing the features of our platform to improve its utility for larger customers with complex, dynamic and global operations. The success of enhancements, new features and solutions depends on several factors, including the timely completion, introduction and market acceptance of the enhancements or new features or solutions. If we fail to introduce platform enhancements, or if our customers experience difficulties using our platform as a result of the transition or of the implementation of these enhancements, our revenue retention and revenue growth may be adversely affected. In addition, because our solutions are designed to operate on a variety of systems, we will need to continuously modify and enhance our solutions to keep pace with changes in internet-related hardware, software, communication, browser and database technologies. We may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion. Furthermore, uncertainties about the timing and nature of new network platforms or technologies, or modifications to existing platforms or technologies, could increase our research and development expenses. Any failure of our solutions to keep pace with technological changes or operate effectively with future network platforms and technologies could reduce the demand for our solutions, result in customer dissatisfaction and adversely affect our business.

***If we fail to manage our technical operations infrastructure, our existing customers may experience service outages, and our new customers may experience delays in the deployment of our solutions.***

We have experienced significant growth in the number of users, projects and data that our operations infrastructure supports. We seek to maintain sufficient excess capacity in our operations infrastructure to meet the needs of all of our customers. We also seek to maintain excess capacity to facilitate the rapid provision of new customer deployments and the expansion of existing customer deployments. In addition, we need to properly manage our technological operations infrastructure in order



to support changes in hardware and software parameters and the evolution of our solutions, all of which require significant lead time. Our platform interacts with and depends on technology provided by Amazon Web Services, Google Cloud Platform and other third-party providers, and our data is hosted pursuant to service agreements with these providers. We do not control the operation of these providers or their facilities, and the facilities are vulnerable to damage, interruption or misconduct, which could result in interruptions in our services. We have experienced, and may in the future experience, website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. If we do not accurately predict our infrastructure requirements, our existing customers may experience service outages that may subject us to financial penalties, financial liabilities and customer losses. If our operations infrastructure fails to keep pace with increased sales, customers may experience delays as we seek to obtain additional capacity, which could adversely affect our reputation and our revenue.

***The inability to maintain software licenses, or the existence of errors in the software we license could result in increased costs or reduced service levels.***

Our solutions incorporate certain third-party software that may be licensed to or hosted by or on behalf of Workiva, or may be hosted by a licensor and accessed by Workiva on a Software-as-a-Service basis. We anticipate that we will continue to rely on third-party software and development tools from third parties in the future. There may not be commercially reasonable alternatives to the third-party software we currently use, or it may be difficult or costly to replace. In addition, integration of the software used in our solutions with new third-party software may require significant work and require substantial investment of our time and resources. Any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of our solutions, delay new solution introductions, result in a failure of our solutions and injure our reputation.

Interruptions in third-party services or software may damage our reputation, reduce our revenue, cause us to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect our renewal rates and our ability to attract new customers. Our business would be harmed if our customers and potential customers believe our service is unreliable. Any inability to maintain or acquire third-party licensed software for use in our solutions could result in increased costs or reduced service levels, which would adversely affect our business.

***Any failure or interruptions in the internet infrastructure, bandwidth providers, data center providers, other third parties or our own systems could negatively impact our business.***

Our ability to deliver our solutions is dependent on the development and maintenance of the internet and other telecommunications services by third parties. Such services include maintenance of a reliable network backbone with the necessary speed, data capacity and security for providing reliable internet access and services and reliable telecommunications systems that connect our operations. While our solutions are designed to operate without interruption, we may experience interruptions and delays in services and availability from time to time.

Further, we rely on third-party systems and vendors, including data center, bandwidth, and telecommunications equipment providers, to provide our solutions. Our platform has been developed with, and is based on, cloud computing technology. It is hosted pursuant to service agreements on servers by third-party service providers, including those with Amazon Web Services and Google Cloud Platform. We do not control the operation of these providers or their facilities, and the facilities are vulnerable to damage, interruption or misconduct. We also do not maintain redundant systems for some of these services. Unanticipated problems at these facilities could result in lengthy interruptions in our services. If the services of one or more of these providers are terminated, disrupted, interrupted or suspended for any reason, we could experience disruption in our ability to offer our solutions, or we could be required to retain the services of replacement providers. We may move or transfer our data and our customers' data to other cloud hosting providers and any unsuccessful data transfers may impair the delivery of our service.

***Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for our solutions.***

The future success of our business depends upon the continued use of the internet as a primary medium for commerce, communication and business solutions. Federal, state or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations could require us to modify our solutions in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could result in reductions in the demand for internet-based solutions such as ours.

In addition, the use of the internet as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease of use, accessibility and quality of service. The performance of the internet and its acceptance as a business tool has been adversely affected by "viruses," "worms" and similar malicious programs, and the internet has experienced a variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for our solutions could suffer.

***We are subject to U.S. and foreign data privacy and protection laws and regulations as well as contractual privacy obligations.***

We manage private and confidential information and documentation related to our customers' finances and transactions, often prior to public dissemination. The use of insider information is highly regulated in the United States and abroad, and violations of securities laws and regulations may result in civil and criminal penalties. In addition, we are subject to the data privacy and protection laws and regulations adopted by federal, state and foreign legislatures and governmental agencies. Privacy laws restrict our storage, use, processing, disclosure, transfer and protection of personal information that may be placed in our platform by our customers or collected from visitors while visiting our websites. The regulatory framework for privacy and data protection issues worldwide is evolving, and new or proposed legislation and regulations could also significantly affect our business. These laws and regulations, as well as any associated inquiries or investigations or any other government actions, may be costly to comply with and may delay or impede the development of new products, result in negative publicity, increase our operating costs, require significant management time and attention, and subject us to remedies that may harm our business, including fines or demands or orders that we modify or cease existing business practices.

In addition, as we expand our operations internationally, compliance with regulations that differ from jurisdiction to jurisdiction may also impose substantial burdens on our business. In particular, the European Union has implemented the General Data Protection Regulation (“GDPR”), which came into force in May 2018. The GDPR includes more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies that process personal data of residents of the E.U., and imposes significant penalties for non-compliance. Further, because our customers often use a Workiva account across multiple jurisdictions, E.U. regulators could determine that we transfer data from the E.U. to the U.S., which could subject us to E.U. laws with respect to data privacy. Those laws and regulations are uncertain and subject to change. For example, in July 2020, the Court of Justice of the E.U. issued a decision that invalidated the E.U.-U.S. Privacy Shield framework, a mechanism that companies had previously relied on to transfer personal information from the E.U. to the U.S., on the basis that such transfer mechanism does not comply with the level of protection required under the GDPR. These changes to the legal bases for transferring data from E.U. to the U.S. could affect the manner in which we provide our services or adversely affect our financial results.

In addition to government activity, the technology industry and other industries are considering various new, additional or different self-regulatory standards that may place additional burdens on us. If the processing of personal and confidential information were to be curtailed in this manner, our software solutions may be less effective or diminish the user experience, which may reduce demand for our solutions and adversely affect our business.

We are also subject to the privacy and data protection-related obligations in our contracts with our customers and other third parties. We could be adversely affected by changes to these contracts in ways that are inconsistent with our practices or in conflict with the laws and regulations of the United States, foreign or international regulatory authorities. We may also be contractually liable to indemnify and hold harmless our clients from the costs or consequences of inadvertent or unauthorized disclosure of data that we store or handle as part of providing our services. Finally, we are also subject to contractual obligations and other legal restrictions with respect to our collection and use of data, and we may be liable to third parties in the event we are deemed to have wrongfully used or gathered data.

As our customers and prospects prepare to comply with frequently changing privacy legislation, including GDPR, we are subject to our current and prospective customers’ enhanced due diligence prior to contract execution. Furthermore, the uncertainty of how regulators will apply privacy laws in different jurisdictions has caused many companies to adopt very broad and restrictive vendor policies, contract templates and requirements. Due to the aforementioned changes to privacy law, our current and prospective customers have begun to require us to adopt standard contractual clauses, data processing agreements, or amendments to existing agreements regarding privacy and/or security compliance prior to conducting new (or any) business with us. In addition, due diligence by current or prospective customers may take the form of onsite audits and questionnaires. Negotiating these clauses and satisfying customers’ concerns around privacy risk can slow down the overall sales cycle due to the coordination of so many subject matter experts. Slower sales cycles may limit our ability to grow and create focus on compliance points as opposed to new sales.

Any failure by us or a third-party contractor providing services to us to comply with applicable privacy and data protection laws, regulations, self-regulatory requirements or industry guidelines, our contractual privacy obligations or our own privacy policies, may result in fines, statutory or contractual damages, litigation or governmental enforcement actions. These proceedings or violations could force us to spend significant amounts in defense or settlement of these proceedings, result in the imposition of monetary liability, distract our management, increase our costs of doing business, and adversely affect our reputation and the demand for our solutions.

Furthermore, government agencies may seek to access sensitive information that our customers upload to our service providers or restrict customers' access to our service providers. Laws and regulations relating to government access and restrictions are evolving, and compliance with such laws and regulations could limit adoption of our services by customers and create burdens on our business. Moreover, investigations into our compliance with privacy-related obligations could increase our costs and divert management attention.

***Any failure to protect our intellectual property rights or defend against accusations of infringement of third-party intellectual property rights could impair our ability to protect our proprietary technology and our brand.***

Our success substantially depends upon our proprietary methodologies and other intellectual property rights. Unauthorized use of our intellectual property by third parties may damage our brand and our reputation. As of December 31, 2021, we had 63 issued patents and 15 patent applications pending, and we expect to seek additional patents in the future. In addition, we rely on a combination of copyright, trademark and trade secret laws, employee and third-party non-disclosure and non-competition agreements and other methods to protect our intellectual property. However, unauthorized parties may attempt to copy or obtain and use our technology to develop products with the same functionality as our solutions. We cannot assure you that the steps we take to protect our intellectual property will be adequate to deter misappropriation of our proprietary information or that we will be able to detect unauthorized use and take appropriate steps to protect our intellectual property. United States federal and state intellectual property laws offer limited protection, and the laws of some countries provide even less protection. Moreover, changes in intellectual property laws, such as changes in the law regarding the patentability of software, could also impact our ability to obtain protection for our solutions. In addition, patents may not be issued with respect to our pending or future patent applications. Those patents that are issued may not be upheld as valid, may be contested or circumvented, or may not prevent the development of competitive solutions.

Patent and other intellectual property disputes are common in our industry. We might be required to spend significant resources and divert the efforts of our technical and management personnel to monitor and protect our intellectual property. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights. Any failure to secure, protect and enforce our intellectual property rights could seriously adversely affect our brand and adversely impact our business.

In addition, our success depends upon our ability to refrain from infringing upon the intellectual property rights of others. Some companies, including some of our competitors, own large numbers of patents, copyrights and trademarks, which they may use to assert claims against us. As we grow and enter new markets, we will face a growing number of competitors. As the number of competitors in our industry grows and the functionality of products in different industry segments overlaps, we expect that software and other solutions in our industry may be subject to such claims by third parties. Third parties may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us. We cannot assure you that infringement claims will not be asserted against us in the future, or that, if asserted, any infringement claim will be successfully defended. A successful claim against us could require that we pay substantial damages or ongoing royalty payments, prevent us from offering our services, or require that we comply with other unfavorable terms. We may also be obligated to indemnify our customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify applications or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding our intellectual property could be costly and time-consuming and divert the attention of our management and key personnel from our business operations.

***Some of our solutions utilize open source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.***

Some of our solutions include software covered by open source licenses, which may include, by way of example, GNU General Public License and the Apache License. The terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our solutions. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software, and to make our proprietary software available under open source licenses, if we combine our proprietary software with open source software in a certain manner. In the event that portions of our proprietary software are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our technologies and services. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with usage of open source software cannot be eliminated and could negatively affect our business.

## **Risks Related to Taxes**

***The adoption of new tax legislation could adversely affect our business and financial condition.***

Changes to U.S. tax laws could also impact how U.S. corporations are taxed. Although we cannot predict whether or in what form such changes will be issued or enacted, they could have a material impact on our effective tax rate, income tax expense, deferred tax assets, results of operations, cash flows, and profitability.

***Determining our income tax rate is complex and subject to uncertainty.***

The computation of provision for income tax is complex, as it is based on the laws of numerous taxing jurisdictions and requires significant judgment on the application of complicated rules governing accounting for tax provisions under U.S. generally accepted accounting principles. In addition, the application of federal, state, local and international tax laws to services provided electronically is evolving, and new tax requirements could be applied solely or disproportionately to services provided over the internet. Provision for income tax for interim quarters is based on a forecast of our U.S. and non-U.S. effective tax rates for the year, which includes forward-looking financial projections, including the expectations of profit and loss by jurisdiction, and contains numerous assumptions. Various items cannot be accurately forecasted and future events may be treated as discrete to the period in which they occur. Our provision for income tax can be materially impacted, for example, by the geographical mix of our profits and losses, changes in our business, such as internal restructuring and acquisitions, changes in tax laws and accounting guidance and other regulatory, legislative or judicial developments changes in tax rates, tax audit determinations, changes in our uncertain tax positions, changes in our intent and capacity to permanently reinvest foreign earnings, changes to our transfer pricing practices, tax deductions attributed to equity compensation and changes in our need for a valuation allowance for deferred tax assets. The authorities in these jurisdictions in which we operate or otherwise conduct business, including state and local taxing authorities in the United States, could successfully assert that we are obligated to pay additional taxes, interest and penalties. The authorities could also claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties, tax holidays or government grants that we intend to utilize are not available to us or our subsidiaries, any of which could have a material impact on us and the results of our operations.

The tax authorities in the United States and other countries where we do business regularly examine our income and other tax returns, and these examinations could result in the assessment of material additional taxes. Our tax expense also may be impacted if our intercompany transactions, which are required to be computed on an arm's-length basis, are challenged and successfully disputed by the tax authorities. For these reasons, our actual income taxes may be materially different from our provision for income tax.

***Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.***

In general, under Section 382 of the Code, a corporation that undergoes an ownership change within the meaning of Section 382 of the Code and the underlying regulations is subject to limitations on its ability to utilize its pre-change net operating losses ("NOLs"), to offset future taxable income. If our existing NOLs are subject to limitations arising from previous ownership changes, our ability to utilize NOLs could be limited by Section 382 of the Code. Future changes in our stock ownership, some of which are outside of our control, could result in an ownership change under Section 382 of the Code. Furthermore, our ability to utilize the NOLs of companies that we have acquired or may acquire in the future may be subject to limitations. There is also a risk that under prior regulations or due to other unforeseen reasons, our prior year NOLs could expire or otherwise be unavailable to offset future income tax liabilities. For these reasons, we may not be able to realize a tax benefit from the use of our NOLs, whether or not we attain profitability.

## **Risks Related to Ownership of Our Securities**

### ***Our stock price has been and will likely continue to be volatile or may decline regardless of our operating performance.***

The trading price for shares of our Class A common stock has been, and is likely to continue to be, volatile for the foreseeable future. The market price of our Class A common stock may fluctuate in response to many risk factors listed in this section, and others beyond our control.

Furthermore, the stock markets recently have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies, and technology companies in particular. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact the market price of our Class A common stock. In the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could harm our business.

### ***If there are substantial sales of shares of our Class A common stock or some or all of our convertible senior notes are converted and sold, the price of our Class A common stock could decline.***

The price of our Class A common stock could decline if our convertible senior notes are converted. In addition, upon conversion of the convertible senior notes, we have the option to 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, and anticipated conversion of the convertible senior notes into shares of our Class A common stock could depress the price of our Class A common stock. Further, the existence of the convertible senior notes may encourage short selling by market participants that engage in hedging or arbitrage activity.

The market price of the shares of our Class A common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market, including by us, our directors, executive officers and significant shareholders, or by the conversion of our convertible senior notes into shares of our Class A common stock and the subsequent sale of such shares in the public market. New investors in subsequent transactions could gain rights, preferences and privileges senior to those of holders of our Class A common stock.

### ***The dual class structure of our common stock concentrates voting control with certain of our executives.***

Our Class B common stock has ten votes per share, and our Class A common stock has one vote per share. As of December 31, 2021, the Class B common stock beneficially owned by certain of our current and former executive officers collectively represented approximately 47% of the voting power of our outstanding capital stock. This significant concentration of voting power may limit the ability of Class A common stockholders to influence corporate matters for the foreseeable future and may have the effect of delaying, deferring or preventing a change in control, impeding a merger, consolidation, takeover or other business combination involving us, or discouraging a potential acquirer from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders. The holders of Class B common stock may also have interests that differ from those of



Class A common stock holders and may vote in a way that may be adverse to the interests of holders of Class A common stock.

***Anti-takeover provisions in our charter documents, our convertible senior notes and Delaware law could make an acquisition of us more difficult, limit attempts by our stockholders to replace or remove our current management and may negatively affect the market price of our Class A common stock.***

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our certificate of incorporation and bylaws include provisions that:

- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- provide that our directors may be removed only for cause;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our board of directors, the chairman of our board of directors or our chief executive officer or president (in the absence of a chief executive officer);
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- authorize our board of directors to issue, without further action by the stockholders, up to 100,000,000 shares of undesignated preferred stock;
- require the approval of our board of directors or the holders of a supermajority of our outstanding shares of capital stock to amend our bylaws and certain provisions of our certificate of incorporation; and
- reflect two classes of common stock, as discussed above.

In addition, certain provisions in the indenture governing our convertible senior notes may make it more difficult or expensive for a third party to acquire us. In addition, we are a Delaware corporation and governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder, in particular those owning 15% or more of our outstanding voting stock, for a period of three years following the date on which the stockholder became an “interested” stockholder.

***We do not intend to pay dividends for the foreseeable future.***

We may not declare or pay cash dividends on our capital stock in the near future. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Consequently, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment.



## **Risks Related to Our Indebtedness**

### ***The conditional conversion feature of our convertible senior notes may adversely affect our financial condition and operating results.***

We completed an offering of convertible senior notes in August 2019. The convertible senior notes became conditionally convertible for the fourth quarter of 2021 and the first quarter of 2022 because our Class A Common Stock traded at a price equal to or greater than 130% of the conversion price for at least 20 trading days during the 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter. As a result of this trigger being met, and in the event the conditional conversion feature of our convertible senior notes is triggered again in future periods, holders of such notes will be entitled to convert the convertible senior notes at any time during specified periods at their option. If one or more holders elect to convert their convertible senior notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our Class A common stock (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their convertible senior notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the convertible senior notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

### ***Servicing our debt requires a significant amount of cash.***

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our current and future indebtedness, including our convertible senior notes, depends on our future performance. In addition, holders of the convertible senior notes will have the right to require us to repurchase their convertible senior notes for cash upon the occurrence of certain fundamental changes. Upon conversion of the convertible senior notes, unless we elect to deliver solely shares of our Class A common stock to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the notes being converted. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures.

**Item 1B. Unresolved Staff Comments**

None.

**Item 2. Properties**

Our corporate headquarters is located in Ames, Iowa, where we lease approximately 120,000 square feet of office space. We also lease office facilities in nine U.S. cities located in Arizona, Colorado, the District of Columbia, Illinois, Montana, New York, Pennsylvania, and South Carolina. Internationally, we lease offices in Canada, the Netherlands, the United Kingdom, Germany, France, Hong Kong, Australia, and Singapore. We believe that our properties are generally suitable to meet our needs for the foreseeable future. In addition, to the extent we require additional space in the future, we believe that it would be readily available on commercially reasonable terms.

**Item 3. 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 4. Mine Safety Disclosure**

Not applicable.

## Part II.

### Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our Class A common stock is listed on the NYSE under the symbol “WK”. Our Class B common stock is not listed or traded on any stock exchange.

#### Stockholders

As of December 31, 2021, there were approximately 76 stockholders of record of our Class A common stock, as well as 10 stockholders of record of our Class B common stock.

#### Dividends

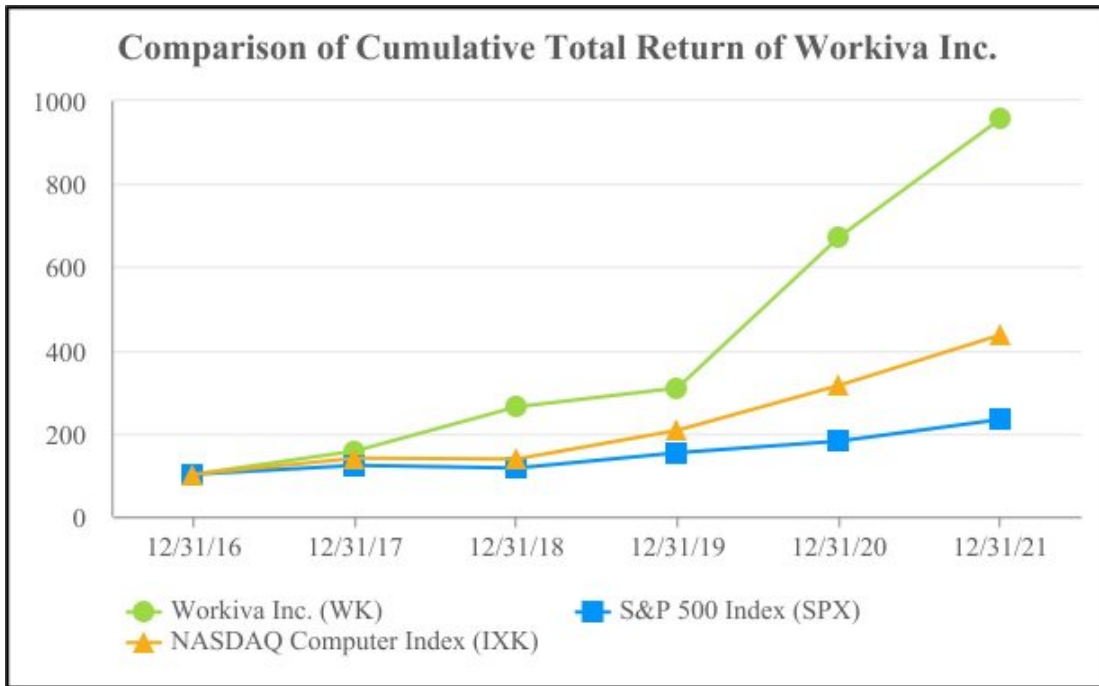
We have never declared or paid cash dividends on our capital stock. We currently intend to retain any future earnings and do not expect to pay any dividends on our capital stock. Any future determination to pay dividends on our capital stock will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements and other factors that our board of directors considers relevant.

#### Stock Performance Graph

The following shall not be deemed incorporated by reference into any of our other filings under the Exchange Act or the Securities Act.

The graph below compares the cumulative total stockholder return on our Class A common stock with the cumulative total return on the Standard & Poor’s 500 Index and the Nasdaq Computer Index. The chart assumes \$100 was invested at the close of market on December 31, 2016, in the Class A common stock of Workiva Inc., the S&P 500 Index and the Nasdaq Computer Index, and assumes the reinvestment of any dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our Class A common stock.



Company/Index	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Workiva Inc. (WK)	\$ 100.00	\$ 156.78	\$ 262.93	\$ 308.06	\$ 671.21	\$ 955.97
S&P 500 Index (SPX)	100.00	121.98	116.63	153.32	181.52	233.56
NASDAQ Computer Index (IXK)	100.00	140.36	136.66	207.66	314.30	435.70

**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 December 31, 2021 related to shares withheld upon vesting of restricted stock units for tax withholding obligations:

<b>Date</b>	<b>Total Number of Shares Purchased <sup>(1)</sup></b>	<b>Average Price Paid Per Share</b>	<b>Total Number of Shares Purchased as Part of Publicly Announced Program</b>	<b>Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under Program</b>
October 2021	24,286	\$ 142.35	—	—
November 2021	—	—	—	—
December 2021	—	—	—	—
Total	24,286	\$ 142.35	—	—

(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. [Reserved]**

## **Item 7. 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 consolidated financial statements and related notes included elsewhere in this Annual Report. 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 “Section 1A. Risk Factors” included elsewhere in this Annual Report.*

### **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 2,106 at December 31, 2021 from 1,718 at December 31, 2020, an increase of 22.6%.

We have achieved significant revenue growth in recent periods. Our revenue grew to \$443.3 million in 2021 from \$351.6 million in 2020, an increase of 26.1%. We incurred net losses of \$37.7 million and \$48.4 million in 2021 and 2020, respectively.

### **Recent Business Developments**

On December 29, 2021, we acquired all of the equity interest in Mark V Systems Limited, a California corporation (“Mark V Systems”) and owner of Arelle, the leading open-source XBRL validation engine. As the global standard, Arelle is used by a community of over 50 global regulators, banks and technology companies that depend on it for data quality and comparison. Workiva is committed to working with the XBRL community to keep Arelle open-sourced and collaborating for the advancement of this important validation engine.

On December 10, 2021, we acquired all of the membership interests in AuditNet, LLC (“AuditNet”), a global audit content and services provider, which strengthens Workiva’s risk and assurance offerings.

On July 30, 2021, we acquired all of the equity interest in OneCloud, Inc., an integration platform as a service iPaaS company, in order to extend our integration and data preparation capabilities. See Note 12 to the condensed consolidated financial statements for more information on our acquisitions.

### **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.

### **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. As of December 31, 2021, the majority of our SEC customers reported their financials on a calendar-year basis. 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

	Year ended December 31,		
	2021	2020	2019
	(dollars in thousands)		
<i>Financial metrics</i>			
Total revenue	\$ 443,285	\$ 351,594	\$ 297,891
Year-over-year percentage increase in total revenue	26.1%	18.0%	21.9%
Subscription and support revenue	\$ 379,340	\$ 295,877	\$ 245,765
Year-over-year percentage increase in subscription and support revenue	28.2%	20.4%	22.6%
Subscription and support as a percent of total revenue	85.6%	84.2%	82.5%
	As of December 31,		
	2021	2020	2019
<i>Operating metrics</i>			
Number of customers	4,315	3,723	3,510
Subscription and support revenue retention rate	97.0%	95.0%	94.7%
Subscription and support revenue retention rate including add-ons	110.0%	109.5%	113.0%
Number of customers with annual contract value \$100k+	1,121	847	652
Number of customers with annual contract value \$150k+	578	419	285
Number of customers with annual contract value \$300k+	183	119	71

*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 97.0% as of December 31, 2021, up from 95.0% as of December 31, 2020. 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 110.0% as of the year ended December 31, 2021, up slightly from 109.5% as of December 31, 2020. It is possible that as customers that purchased higher priced capital markets solutions throughout 2021 transition to more moderately priced ongoing solutions in 2022, there could be downward pressure on this key performance indicator:

*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 each of the years ended December 31, 2021, 2020 and 2019, no single customer represented more than 1% of our revenue, and our largest 10 customers accounted for less than 5% 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:

	Year ended December 31,		
	2021	2020	2019
	(in thousands)		
Revenue			
Subscription and support	\$ 379,340	\$ 295,877	\$ 245,765
Professional services	63,945	55,717	52,126
Total revenue	443,285	351,594	297,891
Cost of revenue			
Subscription and support <sup>(1)</sup>	60,551	49,503	42,881
Professional services <sup>(1)</sup>	43,282	40,674	42,131
Total cost of revenue	103,833	90,177	85,012
Gross profit	339,452	261,417	212,879
Operating expenses			
Research and development <sup>(1)</sup>	115,735	94,844	89,921
Sales and marketing <sup>(1)</sup>	178,785	144,687	120,300
General and administrative <sup>(1)</sup>	74,287	59,688	48,064
Total operating expenses	368,807	299,219	258,285
Loss from operations	(29,355)	(37,802)	(45,406)
Interest income	1,041	3,282	4,657
Interest expense	(14,015)	(13,964)	(6,027)
Other income and (expense), net	3,229	(205)	(564)
Loss before provision for income taxes	(39,100)	(48,689)	(47,340)
(Benefit) provision for income taxes	(1,370)	(291)	139
Net loss	\$ (37,730)	\$ (48,398)	\$ (47,479)

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

	Year ended December 31,		
	2021	2020	2019
	(in thousands)		
Cost of revenue			
Subscription and support	\$ 2,868	\$ 1,709	\$ 1,554
Professional services	1,729	1,434	1,725
Operating expenses			
Research and development	9,590	8,100	8,006
Sales and marketing	13,901	11,062	8,792
General and administrative	20,545	23,466	15,707
Total stock-based compensation expense	\$ 48,633	\$ 45,771	\$ 35,784

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

	Year ended December 31,		
	2021	2020	2019
Revenue			
Subscription and support	85.6%	84.2%	82.5%
Professional services	14.4	15.8	17.5
Total revenue	100.0	100.0	100.0
Cost of revenue			
Subscription and support	13.7	14.1	14.4
Professional services	9.8	11.6	14.1
Total cost of revenue	23.5	25.7	28.5
Gross profit	76.5	74.3	71.5
Operating expenses			
Research and development	26.1	27.0	30.2
Sales and marketing	40.3	41.2	40.4
General and administrative	16.8	17.0	16.1
Total operating expenses	83.2	85.2	86.7
Loss from operations	(6.7)	(10.9)	(15.2)
Interest income	0.2	0.9	1.6
Interest expense	(3.2)	(4.0)	(2.0)
Other (expense) income, net	0.7	(0.1)	(0.2)
Loss before provision for income taxes	(9.0)	(14.1)	(15.8)
Provision (benefit) for income taxes	(0.3)	(0.1)	—
Net loss	(8.7)%	(14.0)%	(15.8)%

## Revenue

### Comparison of Years Ended December 31, 2021 and 2020

	Year ended December 31,		Period-to-period change	
	2021	2020	Amount	% Change
	(dollars in thousands)			
Revenue				
Subscription and support	\$ 379,340	\$ 295,877	\$ 83,463	28.2%
Professional services	63,945	55,717	8,228	14.8%
Total revenue	\$ 443,285	\$ 351,594	\$ 91,691	26.1%

Total revenue increased \$91.7 million in 2021 compared to 2020 due primarily to the increase in subscription and support revenue of \$83.5 million. Growth in subscription and support revenue in 2021 was attributable mainly to strong demand and better pricing for a broad range of use cases. The total number of our customers increased 15.9% from December 31, 2020 to December 31, 2021. Professional services revenue increased \$8.2 million due primarily to growth in revenue from XBRL professional services.

## Cost of Revenue

### Comparison of Years Ended December 31, 2021 and 2020

	Year ended December 31,		Period-to-period change	
	2021	2020	Amount	% Change
(dollars in thousands)				
Cost of revenue				
Subscription and support	\$ 60,551	\$ 49,503	\$ 11,048	22.3%
Professional services	43,282	40,674	2,608	6.4%
Total cost of revenue	\$ 103,833	\$ 90,177	\$ 13,656	15.1%

Cost of revenue increased \$13.7 million in 2021 compared to 2020. Subscription and support cost of revenue increased \$11.0 million due primarily to \$8.5 million higher cash-based compensation and benefits and \$1.2 million higher stock-based compensation due to increased headcount, as well as a \$1.2 million increase in software and server expense. The increase in cash-based compensation and benefits, stock-based compensation and software and server expense resulted from our continued investment in and support of our platform and solutions. Professional services cost of revenue increased \$2.6 million due primarily to \$2.2 million in higher cash-based compensation and benefits due to increased headcount.

## Operating Expenses

### Comparison of Years Ended December 31, 2021 and 2020

	Year ended December 31,		Period-to-period change	
	2021	2020	Amount	% Change
(dollars in thousands)				
Operating expenses				
Research and development	\$ 115,735	\$ 94,844	\$ 20,891	22.0%
Sales and marketing	178,785	144,687	34,098	23.6%
General and administrative	74,287	59,688	14,599	24.5%
Total operating expenses	\$ 368,807	\$ 299,219	\$ 69,588	23.3%

### Research and Development

Research and development expenses increased \$20.9 million in 2021 compared to 2020 due primarily to higher cash-based compensation and benefits costs of \$16.4 million, a \$1.5 million increase in stock-based compensation, a \$1.8 million increase in professional service fees and a \$0.9 million increase in the cost of software and cloud infrastructure services. The increases in compensation were due to increased headcount. The increases in professional service fees and software and cloud infrastructure services reflect continued investment in and support of our platform and solutions.

### *Sales and Marketing*

Sales and marketing expenses increased \$34.1 million in 2021 compared to 2020 due primarily to \$27.8 million in higher cash-based compensation and benefits, an additional \$2.8 million in stock-based compensation, a \$1.9 million increase in marketing and advertising expense and \$2.6 million in software expense. These increases were partially offset by \$1.2 million in savings from reduced travel by our sales and marketing employees due to the COVID-19 pandemic. The increase in cash-based compensation was due to an increase in employee headcount. During 2021, we recognized an additional \$1.9 million in stock-based compensation pursuant to severance obligations. The increases in marketing and advertising costs and software expense supports our continued investment in and support of our platform and solutions.

### *General and Administrative*

General and administrative expenses increased \$14.6 million in 2021 compared to 2020, due primarily to \$12.6 million in higher cash-based compensation and benefits, a \$1.7 million increase in software and cloud infrastructure services, a \$1.5 million increase in professional services fees and a \$1.3 million increase in rent expense. These increases were partially offset by a \$2.1 million decrease in stock-based compensation. In the second quarter of 2020, we recorded an additional \$1.5 million and \$5.5 million of cash-based and equity-based compensation, respectively, pursuant to certain separation agreements with former executives and managers. The increases in software and professional services fees are the result of our continued investment in and support of our platform and solutions. The increase in rent expense was our investment in office space for our expanding worldwide footprint.

### *Non-Operating Income (Expenses)*

#### *Comparison of Years Ended December 31, 2021 and 2020*

	Year ended December 31,		Period-to-period
	2021	2020	change
	(dollars in thousands)		
Interest income	\$ 1,041	\$ 3,282	\$ (2,241)
Interest expense	(14,015)	(13,964)	(51)
Other income (expense), net	3,229	(205)	3,434

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

Interest income fell \$2.2 million in 2021 compared to 2020 due to decreased interest rates in our investment accounts. Interest expense remained relatively flat in 2021 compared to 2020. Other expense decreased \$3.4 million in 2021 compared to 2020 due primarily to a \$3.7 million gain recognized upon the settlement of our equity interest in OneCloud offset by losses on foreign currency transactions.

### **Results of Operations for Fiscal 2020 Compared to 2019**

For a comparison of our results of operations for the fiscal years ended December 31, 2020 and 2019, 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, 2020, filed with the SEC on February 17, 2021.

## Liquidity and Capital Resources

### Overview of Sources and Uses of Cash

As of December 31, 2021, our principal sources of liquidity were cash, cash equivalents, and marketable securities totaling \$530.4 million, which were held for working capital purposes. 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 from the date of the issuance of the audited consolidated financial statements.

### Convertible Debt

In August 2019, we issued \$345.0 million aggregate principal amount of 1.125% convertible senior notes due 2026, including the exercise in full by the initial purchasers of their option to purchase an additional \$45.0 million principal amount. 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.

During the third and fourth quarters of 2021 one of the conversion conditions was met and the Notes are now convertible at the option of the holders through March 31, 2022. Specifically, the last reported sale price of our Class A common stock exceeded 130% of the conversion price of the Notes for more than 20 trading days during the 30 consecutive trading days ended September 30, 2021 and December 31, 2021. 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. As of December 31, 2021, and through the date of this filing, we have not received any conversion requests for the Notes.

### Cash Flows

The following table summarizes cash flow activity during the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Year ended December 31,		
	2021	2020	2019
Cash flow provided by operating activities	\$ 49,844	\$ 33,243	\$ 30,918
Cash flow used in investing activities	(68,631)	(103,750)	(90,065)
Cash flow (used in) provided by financing activities	(3,388)	11,118	363,018
Net (decrease) increase in cash and cash equivalents, net of impact of exchange rates	\$ (22,445)	\$ (58,911)	\$ 304,158



### *Operating Activities*

For the year ended December 31, 2021, cash provided by operating activities was \$49.8 million. The primary factors affecting our operating cash flows during the period were our net loss of \$37.7 million, adjusted for non-cash charges of \$5.2 million for depreciation and amortization of our property and equipment and intangible assets, \$48.6 million of stock-based compensation, \$9.2 million for the amortization of our debt discount and issuance costs, \$3.0 million for the amortization of premiums and discounts on marketable securities, a \$27.3 million net change in operating assets and liabilities partially offset by a gain on the settlement of equity securities of \$3.7 million and deferred income tax of \$2.0 million. The primary drivers of the changes in operating assets and liabilities were a \$19.2 million increase in deferred contract costs, a \$7.7 million increase in accounts receivable, and a \$6.5 million increase in prepaid expenses and other, offset by a \$47.4 million increase in deferred revenue and a \$14.7 million increase in accrued expenses and other liabilities. Customer growth as well as the prior year impact of the COVID-19 pandemic accounted for most of the increase in deferred revenue. We offer limited incentives for customers to enter into contract terms for more than one year. The increases 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 attributable primarily to the timing of annual contracts. The increase in deferred contract costs was primarily due to additional payments made to our sales force related to the direct and incremental costs of obtaining a customer contract.

For the year ended December 31, 2020, cash provided by operating activities was \$33.2 million. The primary factors affecting our operating cash flows during the period were our net loss of \$48.4 million, adjusted for non-cash charges of \$4.3 million for depreciation and amortization of our property and equipment and intangible assets, \$45.8 million of stock-based compensation, \$8.9 million for the amortization of our debt discount and issuance costs and a \$22.2 million net change in operating assets and liabilities. The primary drivers of the changes in operating assets and liabilities were a \$16.0 million increase in deferred contract costs, an \$8.0 million increase in accounts receivable, a \$2.5 million increase in prepaid expenses and other, and a \$4.1 million decrease in accounts payable, offset by a \$37.5 million increase in deferred revenue and a \$16.8 million increase in accrued expenses and other liabilities. Customer growth and contract renewals for longer terms accounted for most of the increase in deferred revenue. We offer limited incentives for customers to enter into contract terms for more than one year. The decrease in accounts payable and increases 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 attributable primarily to the timing of annual contracts. The increase in deferred contract costs was primarily due to additional payments made to our sales force related to the direct and incremental costs of obtaining a customer contract.

### *Investing Activities*

Cash used in investing activities of \$68.6 million for the year ended December 31, 2021 was due primarily to \$170.1 million for the purchase of marketable securities, \$37.5 million for acquisitions, net of cash acquired, and \$3.5 million of capital expenditures, partially offset by \$143.2 million from the maturities of marketable securities. Our capital expenditures were associated primarily with computer equipment in support of expanding our infrastructure and work force.

Cash used in investing activities of \$103.8 million for the year ended December 31, 2020 was due primarily to \$175.9 million for the purchase of marketable securities and \$1.9 million of capital expenditures, partially offset by \$62.9 million from the maturities of marketable securities and \$11.4 million from the sale 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 \$3.4 million for the year ended December 31, 2021 was due primarily to \$16.6 million in proceeds from option exercises and \$8.9 million in proceeds from shares issued in connection with our employee stock purchase plan, offset by \$27.1 million in taxes withheld related to net share settlement of our stock-based compensation awards and an aggregate \$1.7 million in payments on finance lease obligations.

Cash provided by financing activities of \$11.1 million for the year ended December 31, 2020 was due primarily to \$19.2 million in proceeds from option exercises and \$7.2 million in proceeds from shares issued in connection with our employee stock purchase plan, partially offset by \$13.7 million in taxes withheld related to net share settlement of our stock-based compensation awards and an aggregate \$1.6 million in payments on finance lease obligations.

### *Contractual Obligations and Commitments*

The following table represents our contractual obligations as of December 31, 2021, aggregated by type:

	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
		(in thousands)			
Convertible senior notes	\$ 364,407	\$ 3,881	\$ 7,763	\$ 352,763	\$ —
Operating leases including imputed interest	26,301	6,946	9,808	4,108	5,439
Finance leases, including interest	26,357	2,436	2,630	2,630	18,661
Other contractual commitments	38,287	13,740	24,547	—	—
Total contractual obligations	\$ 455,352	\$ 27,003	\$ 44,748	\$ 359,501	\$ 24,100

Total future payments related to our Convertible Senior Notes due 2026 shown in the table above includes \$345.0 million principal amount and future interest payments of \$19.4 million. For more information on our convertible senior notes, refer to Note 8 of our accompanying Notes to the Consolidated Financial Statements included elsewhere in this Annual Report on Form 10-K.

We have entered into a lease agreement for land and an office building in Ames, Iowa, which was constructed in two phases. The lease term includes an initial 15-year term and three five-year extensions at our option because renewal was determined to be reasonably assured at the inception of the lease. The lease contains purchase options to acquire the landlord's interest in the land lease and building at any time beginning three years from June 2014 (the commencement date of the second phase of the lease). In addition, the lease requires us to purchase the building from the landlord upon certain events, such as a change in control.

We enter into certain non-cancelable agreements with third-party providers in the ordinary course of business. Under these agreements, we are committed to purchase \$31.1 million for cloud infrastructure services and \$7.2 million primarily for cloud services. These amounts are included in the table above under "other contractual commitments".

## **Critical Accounting Policies and Estimates**

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs and expenses, provision for 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.

We believe that of our significant accounting policies, which are described in Note 1 to our consolidated financial statements, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations.

### ***Revenue Recognition***

We generate revenue through the sale of our cloud-based software and the delivery of professional services. Revenues are recognized when control of these services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

#### *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. Our subscription contracts are generally twelve to 36 months in duration, are billed either annually or in advance and are non-cancelable. We consider the access to our platform and related support services in a customer contract to be a series of distinct services which comprise a single performance obligation because they are substantially the same and have the same pattern of transfer.

#### *Professional Services Revenue and Customer Options*

Professional services revenues primarily consist of fees for document set up, XBRL tagging, and consulting with our customers on business processes and best practices for using our platform. We have determined that an agreement to purchase these professional services constitutes an option to purchase services in accordance with ASC 606 rather than an agreement that creates enforceable rights and obligations because of the customer's contractual right to cancel services that have not yet been used. In the limited case of agreements where we determined that the option provides the customer with a material right, we allocate a portion of the transaction price to the material right based upon the relative standalone selling price. Professional service agreements that do not contain a material right are accounted for when the customer exercises its option to purchase additional services.

Revenue is recognized 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.

Our professional services revenue is higher in the first calendar quarter because many of our customers employ our professional services just before they file their Form 10-K.

*Contracts with Multiple Performance Obligations*

Some of our contracts with customers contain multiple performance obligations. For these contracts, we account for the individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine the standalone selling prices based on our overall pricing objectives, taking into consideration market conditions and entity-specific factors, including the value of our arrangements, length of term, customer demographics and the numbers and types of users within our arrangements.

While changes in assumptions or judgments or changes to the elements of the arrangement could cause an increase or decrease in the amount of revenue that we report in a particular period, these changes have not historically been significant because our recurring revenue is primarily subscription and support revenue.

***Recent Accounting Pronouncements***

Refer to Note 1 of the notes to consolidated financial statements for a full description of recent accounting pronouncements.

## **Item 7A. Quantitative and Qualitative Disclosures about Market Risk**

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency rates, although we also have some exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

### ***Foreign Currency Risk***

Our sales contracts are denominated predominantly in U.S. dollars and, to a lesser extent, the Canadian dollar, Euro, and British Pound Sterling. Consequently, our customer billings denominated in foreign currency are subject to foreign currency exchange risk. A portion of our operating expenses is incurred outside the United States and is denominated in foreign currencies. These operating expenses are also subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Canadian dollar, Euro, British pound, Singapore dollar, Australian dollar, and Hong Kong dollar. Additionally, fluctuations in foreign currency exchange rates may cause us to recognize transaction gains and losses in our statement of operations. To date, we have not entered into derivatives or hedging transactions as our exposure to foreign currency exchange rates has not been material to our historical operating results, but we may do so in the future if our exposure to foreign currency should become more significant. Foreign currency transaction losses are included in net loss and were \$503,000, \$329,000 and \$609,000 in the years ended December 31, 2021, 2020 and 2019, respectively.

### ***Inflation Risk***

Inflationary factors, such as increases in our operating expenses, may adversely affect our results of operations, as our customers typically purchase services from us on a subscription basis over a period of time. Although we do not believe that inflation has had a material impact on our financial position or results of operations to date, an increase in the rate of inflation in the future may have an adverse effect on our levels of operating expenses as a percentage of revenue if we are unable to increase the prices for our subscription-based solutions to keep pace with these increased expenses.

### ***Interest Rate Sensitivity***

We had cash, cash equivalents and marketable securities totaling \$530.4 million as of December 31, 2021. The cash, cash equivalents and marketable securities are held for working capital purposes. Our investments are made primarily for capital preservation purposes. We do not enter into investments for trading or speculative purposes.

Our cash and cash equivalents consist primarily of cash and money market funds. Our exposure to market risk for changes in interest rates is limited because our cash and cash equivalents have a short-term maturity and are used primarily for working capital purposes.

Our portfolio of marketable securities was invested primarily in commercial paper and U.S. corporate and U.S. treasury debt securities and is subject to market risk due primarily to changes in interest rates. Fixed rate securities may have their market value adversely affected due to a rise in interest rates. Accordingly, our future investment income may fluctuate as a result of changes in interest rates, or we may suffer losses in principal if we are forced to sell securities that decline in market value as a result of changes in interest rates. However, because we classify our marketable securities as “available for sale,” no gains or losses are recognized due to changes in interest rates unless such securities are sold prior to maturity or declines in fair value are caused by expected credit losses.

An immediate increase of 100-basis points in interest rates would have resulted in an \$1.8 million market value reduction in our investment portfolio as of December 31, 2021. This estimate is based on a sensitivity model that measures market value changes when changes in interest rates occur. Fluctuations in the value of our investment securities caused by a change in interest rates (gains or losses on the carrying value) are recorded in other comprehensive income, and are realized only if we sell the underlying securities.

In August 2019, we issued \$345.0 million aggregate principal amount of 1.125% convertible senior notes due 2026. As these Notes have a fixed annual interest rate, we have no financial or economic interest exposure associated with changes in interest rates. However, the fair value of fixed rate debt instruments fluctuates when interest rates change. Additionally, the fair value can be affected when the market price of our common stock fluctuates. We carry the Notes at face value less unamortized discount on our balance sheet, and we present the fair value for required disclosure purposes only.

**Item 8. Consolidated Financial Statements and Supplementary Data**

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## Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Workiva Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Workiva Inc. (the Company) as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2021 and 2020, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 22, 2022 expressed an unqualified opinion thereon.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.



## Revenue Recognition

### *Description of the Matter*

As described in Note 1 to the consolidated financial statements, the Company recognizes revenue upon transfer of control of cloud-based software and professional services in an amount that reflects the consideration the Company expects to be entitled to in exchange for those services.

The Company assessed the terms and conditions associated with customer contracts to identify whether the services constitute an agreement that creates enforceable rights and obligations or an option to purchase. In addition, the Company identified the performance obligations and whether they were distinct. The transaction price was allocated to the separate performance obligations on a relative standalone selling price basis. The assessment of terms and conditions for the identification of performance obligations may involve judgment.

Auditing the Company's accounting for revenue recognition was challenging given the significant audit effort to evaluate the terms and conditions in the customer contracts and the identification and determination of distinct performance obligations in customer contracts.

### *How We Addressed the Matter in Our Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over the Company's revenue recognition process, including management's review of terms and conditions and the identification of distinct performance obligations in customer contracts.

To test the Company's accounting for revenue recognition, we performed audit procedures that included, among others, reperforming management's assessment of the distinct performance obligations within the arrangement based on its terms and conditions for a sample of customer contracts. We tested the application of the revenue recognition accounting requirements for each of the significant service offerings to determine whether the performance obligations identified by the Company were distinct. We also assessed the appropriateness of the related disclosures in the consolidated financial statements.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2010.

Chicago, Illinois  
February 22, 2022

## **Report of Independent Registered Public Accounting Firm**

To the Stockholders and the Board of Directors of Workiva Inc.

### **Opinion on Internal Control Over Financial Reporting**

We have audited Workiva Inc.'s internal control over financial reporting as of December 31, 2021, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Workiva Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2021, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2021 and 2020, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit) and cash flows for each of the three years in the period ended December 31, 2021, and the related notes and our report dated February 22, 2022 expressed an unqualified opinion thereon.

### **Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### **Definition and Limitations of Internal Control Over Financial Reporting**

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP  
Chicago, Illinois  
February 22, 2022

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

	As of December 31,	
	2021	2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 300,386	\$ 322,831
Marketable securities	230,060	207,207
Accounts receivable, net of allowance for doubtful accounts of \$591 and \$717 at December 31, 2021 and 2020, respectively	76,848	68,922
Deferred costs	31,152	21,923
Other receivables	3,538	3,155
Prepaid expenses and other	15,108	9,047
Total current assets	657,092	633,085
Property and equipment, net	28,821	29,365
Operating lease right-of-use assets	17,760	15,844
Deferred costs, non-current	33,091	23,421
Goodwill	34,556	—
Intangible assets, net	10,434	1,583
Other assets	5,005	3,708
Total assets	\$ 786,759	\$ 707,006
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$ 4,114	\$ 2,843
Accrued expenses and other current liabilities	84,126	68,256
Deferred revenue	258,023	208,990
Convertible senior notes, current	298,661	—
Finance lease obligations	1,575	1,705
Total current liabilities	646,499	281,794
Convertible senior notes, non-current	—	289,490
Deferred revenue, non-current	34,181	35,894
Other long-term liabilities	1,605	1,680
Operating lease liabilities, non-current	16,408	17,209
Finance lease obligations, non-current	15,087	16,662
Total liabilities	713,780	642,729
Stockholders' equity		
Class A common stock, \$0.001 par value per share, 1,000,000,000 shares authorized, 47,293,775 and 40,719,189 shares issued and outstanding at December 31, 2021 and 2020, respectively	47	41
Class B common stock, \$0.001 par value per share, 500,000,000 shares authorized, 4,150,583 and 8,069,610 shares issued and outstanding at December 31, 2021 and 2020, respectively	4	8
Preferred stock, \$0.001 par value per share, 100,000,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in-capital	525,646	478,698
Accumulated deficit	(452,430)	(414,700)
Accumulated other comprehensive (loss) income	(288)	230
Total stockholders' equity	72,979	64,277
Total liabilities and stockholders' equity	\$ 786,759	\$ 707,006

See accompanying notes.



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

	Year ended December 31,		
	2021	2020	2019
Revenue			
Subscription and support	\$ 379,340	\$ 295,877	\$ 245,765
Professional services	63,945	55,717	52,126
Total revenue	443,285	351,594	297,891
Cost of revenue			
Subscription and support	60,551	49,503	42,881
Professional services	43,282	40,674	42,131
Total cost of revenue	103,833	90,177	85,012
Gross profit	339,452	261,417	212,879
Operating expenses			
Research and development	115,735	94,844	89,921
Sales and marketing	178,785	144,687	120,300
General and administrative	74,287	59,688	48,064
Total operating expenses	368,807	299,219	258,285
Loss from operations	(29,355)	(37,802)	(45,406)
Interest income	1,041	3,282	4,657
Interest expense	(14,015)	(13,964)	(6,027)
Other income and (expense), net	3,229	(205)	(564)
Loss before (benefit) provision for income taxes	(39,100)	(48,689)	(47,340)
(Benefit) Provision for income taxes	(1,370)	(291)	139
Net loss	\$ (37,730)	\$ (48,398)	\$ (47,479)
Net loss per common share:			
Basic and diluted	\$ (0.74)	\$ (1.00)	\$ (1.03)
Weighted-average common shares outstanding - basic and diluted	51,126,510	48,448,166	46,302,656

*See accompanying notes.*

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

	<b>Year ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Net loss	\$ (37,730)	\$ (48,398)	\$ (47,479)
Other comprehensive (loss) income, net of tax			
Foreign currency translation adjustment, net of income tax expense	266	(137)	13
Unrealized (loss) gain on available-for-sale securities, net of income tax expense	(784)	80	176
Other comprehensive (loss) income, net of tax	(518)	(57)	189
Comprehensive loss	<u>\$ (38,248)</u>	<u>\$ (48,455)</u>	<u>\$ (47,290)</u>

*See accompanying notes.*

**WORKIVA INC.**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)**  
(in thousands)

	Common Stock (Class A and B)		Additional Paid-in-Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount				
Balances at December 31, 2018	44,044	\$ 44	\$ 297,145	\$ 98	\$ (307,027)	\$ (9,740)
Cumulative-effect of change in accounting principle	—	—	—	—	(11,796)	(11,796)
Stock-based compensation expense	—	—	35,784	—	—	35,784
Issuance of common stock upon exercise of stock options	1,997	3	24,149	—	—	24,152
Issuance of common stock under employee stock purchase plan	188	—	4,922	—	—	4,922
Issuance of restricted stock units	420	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(10)	—	(390)	—	—	(390)
Equity component of convertible senior notes, net	—	—	58,560	—	—	58,560
Net loss	—	—	—	—	(47,479)	(47,479)
Other comprehensive income	—	—	—	189	—	189
Balances at December 31, 2019	46,639	\$ 47	\$ 420,170	\$ 287	\$ (366,302)	\$ 54,202
Stock-based compensation expense	—	—	45,771	—	—	45,771
Issuance of common stock upon exercise of stock options	1,398	2	19,187	—	—	19,189
Issuance of common stock under employee stock purchase plan	187	—	7,227	—	—	7,227
Issuance of restricted stock units	796	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(231)	—	(13,657)	—	—	(13,657)
Net loss	—	—	—	—	(48,398)	(48,398)
Other comprehensive loss	—	—	—	(57)	—	(57)
Balances at December 31, 2020	48,789	\$ 49	\$ 478,698	\$ 230	\$ (414,700)	\$ 64,277
Stock-based compensation expense	—	—	48,633	—	—	48,633
Issuance of common stock upon exercise of stock options	1,141	2	16,598	—	—	16,600
Issuance of common stock under employee stock purchase plan	149	—	8,861	—	—	8,861
Issuance of restricted stock units	1,578	—	—	—	—	—
Tax withholdings related to net share settlements of stock-based compensation awards	(213)	—	(27,144)	—	—	(27,144)
Net loss	—	—	—	—	(37,730)	(37,730)
Other comprehensive loss	—	—	—	(518)	—	(518)
Balances at December 31, 2021	51,444	\$ 51	\$ 525,646	\$ (288)	\$ (452,430)	\$ 72,979

See accompanying notes.



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

	Year ended December 31,		
	2021	2020	2019
Cash flows from operating activities			
Net loss	\$ (37,730)	\$ (48,398)	\$ (47,479)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization	5,244	4,296	3,844
Stock-based compensation expense	48,633	45,771	35,784
Recovery of doubtful accounts	(125)	(159)	(92)
Amortization of premiums and discounts on marketable securities, net	3,024	668	13
Amortization of debt discount and issuance costs	9,171	8,889	3,262
Gain on settlement of equity securities	(3,698)	—	—
Deferred income tax	(1,973)	—	(65)
Changes in assets and liabilities:			
Accounts receivable	(7,683)	(8,028)	5,166
Deferred costs	(19,207)	(15,953)	(10,268)
Operating lease right-of-use asset	4,197	3,906	2,552
Other receivables	(391)	(680)	(1,250)
Prepaid expenses and other	(6,522)	(2,492)	(2,084)
Other assets	(1,222)	(215)	(1,860)
Accounts payable	972	(4,106)	2,153
Deferred revenue	47,419	37,479	32,039
Operating lease liability	(4,934)	(4,525)	(3,035)
Accrued expenses and other liabilities	14,669	16,790	12,238
Net cash provided by operating activities	49,844	33,243	30,918
Cash flows from investing activities			
Purchase of property and equipment	(3,534)	(1,873)	(3,104)
Purchase of marketable securities	(170,070)	(175,926)	(112,565)
Maturities of marketable securities	143,159	62,922	26,840
Sale of marketable securities	250	11,423	498
Acquisitions, net of cash acquired	(37,467)	—	—
Purchase of intangible assets	(219)	(296)	(734)
Other investments	(750)	—	(1,000)
Net cash used in investing activities	(68,631)	(103,750)	(90,065)

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

	Year ended December 31,		
	2021	2020	2019
Cash flows from financing activities			
Proceeds from option exercises	16,600	19,189	24,152
Taxes paid related to net share settlements of stock-based compensation awards	(27,144)	(13,657)	(390)
Proceeds from shares issued in connection with employee stock purchase plan	8,861	7,227	4,922
Proceeds from the issuance of convertible senior notes, net of issuance costs	—	—	335,899
Principal payments on finance lease obligations	(1,705)	(1,641)	(1,565)
Net cash (used in) provided by financing activities	(3,388)	11,118	363,018
Effect of foreign exchange rates on cash	(270)	478	287
Net (decrease) increase in cash and cash equivalents	(22,445)	(58,911)	304,158
Cash and cash equivalents at beginning of year	322,831	381,742	77,584
Cash and cash equivalents at end of year	\$ 300,386	\$ 322,831	\$ 381,742
Supplemental cash flow disclosure			
Cash paid for interest	\$ 4,837	\$ 5,067	\$ 1,340
Cash paid for income taxes, net of refunds	\$ (41)	\$ 679	\$ 371
Supplemental disclosure of noncash investing and financing activities			
Allowance for tenant improvements	\$ —	\$ 149	\$ 270
Purchases of property and equipment, accrued but not paid	\$ 350	\$ 263	\$ 144

*See accompanying notes.*

**WORKIVA INC.**  
**NOTES TO 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 consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles and include the accounts of Workiva Inc. and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Seasonality affects our revenue, expenses and cash flows from operations. Revenue from professional services is generally higher in the first quarter as many of our customers file their 10-K in the first calendar quarter. 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. In addition, the timing of cash bonus payments to employees during the first and fourth calendar quarters may result in some seasonality in operating cash flow.

***Segments***

Our chief operating decision maker reviews financial information presented on a consolidated basis for purposes of allocating resources and evaluating financial performance. There are no segment managers who are held accountable by the chief operating decision maker, or anyone else, for operations, operating results and planning for levels or components below the consolidated unit level. Accordingly, we determined we have one operating and reportable segment.

***Foreign Currency***

We translate the financial statements of our foreign subsidiaries, which have a functional currency in the respective country’s local currency, to U.S. dollars using month-end exchange rates for assets and liabilities and average exchange rates for revenue, costs and expenses. Translation gains and losses are recorded in accumulated other comprehensive income as a component of stockholders’ equity (deficit). Gains and losses resulting from foreign currency transactions that are denominated in currencies other than the entity's functional currency are included within other (expense) income, net on the consolidated statements of operations.

### ***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, the fair value of the liability and equity components of the convertible senior notes, 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.

### ***Cash and Cash Equivalents***

Cash consists of cash on deposit with banks that is stated at cost, which approximates fair value. We invest our excess cash primarily in highly liquid money market funds and marketable securities. We classify all highly liquid investments with stated maturities of three months or less from date of purchase as cash equivalents and all highly liquid investments with stated maturities of greater than three months as marketable securities.

### ***Marketable Securities***

Our marketable securities consist of commercial paper, corporate debt securities, U.S. treasury debt securities and foreign government debt securities. We classify our marketable securities as available-for-sale at the time of purchase and reevaluate such classification as of each balance sheet date. We may sell these securities at any time for use in current operations even if they have not yet reached maturity. As a result, we classify our investments, including securities with maturities beyond twelve months as current assets in the accompanying consolidated balance sheets. Available-for-sale securities are recorded at fair value each reporting period. Unrealized gains and losses are excluded from earnings and recorded as a separate component within accumulated other comprehensive income on the consolidated balance sheets until realized. Dividend income is reported within other (expense) income, net on the consolidated statements of operations. We evaluate our investments to assess whether the amortized cost basis is in excess of estimated fair value and determine what amount of that difference, if any, is caused by expected credit losses. Allowance for credit losses are recognized as a charge in other (expense) income, net on the consolidated statements of operations, and any remaining unrealized losses are included in accumulated other comprehensive income on the consolidated balance sheets. There were no credit losses recorded for the years ended December 31, 2021 and 2020. There was no impairment charge for any unrealized losses in 2019. We determine realized gains and losses on the sale of marketable securities on the specific identification method and record such gains and losses in other (expense) income, net on the consolidated statements of operations.

### ***Fair Value of Financial Instruments***

Our financial assets, which include cash equivalents and marketable securities, are measured and recorded at fair value on a recurring basis. Our other current financial assets and our other current financial liabilities have fair values that approximate their carrying value due to their short-term maturities.

### ***Concentration of Credit Risk***

Financial instruments that potentially subject us to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. We place our cash and cash equivalents with high credit-quality financial institutions. Such deposits may be in excess of federally insured limits. To date, we have not experienced any losses on our cash and cash equivalents. We perform periodic evaluations of the relative credit standing of the financial institutions.

We perform ongoing credit evaluations of our customers' financial condition and require no collateral from our customers. We maintain an allowance for doubtful accounts receivable based upon the expected collectability of accounts receivable balances. We did not have a significant concentration of accounts receivable from any single customer or from customers in any single country outside of the United States at December 31, 2021 or 2020.

### ***Deferred Costs***

We pay sales commissions for initial contracts and expansions of existing contracts with customers. These commissions earned by our sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions paid where the amortization period is one year or less are expensed as incurred. All other sales commissions are deferred and then amortized on a straight-line basis over a period of benefit that we have determined to be three years. We determined the period of benefit by taking into consideration our standard contract terms and conditions, rate of technological change and other factors. Amortization expense is included in sales and marketing expense in the accompanying consolidated statements of operations.

### ***Property and Equipment, net***

Property and equipment is stated at cost, net of accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, generally three to ten years. We amortize leasehold improvements and assets under finance leases over the lesser of the term of the lease including renewal options that are reasonably assured or the estimated useful life of the assets. Depreciation and amortization expense related to property and equipment totaled \$4.1 million, \$3.8 million and \$3.4 million for the years ended December 31, 2021, 2020 and 2019, respectively.

### ***Revenue Recognition***

We generate revenue through the sale of subscriptions to our cloud-based software and the delivery of professional services. We recognize revenue when control of these services is transferred to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

We determine revenue recognition through the following steps:

- Identification of the contract, or contracts, with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, we satisfy a performance obligation

We report revenue net of sales and other taxes collected from customers to be remitted to government authorities.

### *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. Our subscription contracts are generally twelve to 36 months in duration, are billed either annually or in advance and are non-cancelable. We consider the access to our platform and related support services in a customer contract to be a series of distinct services which comprise a single performance obligation because they are substantially the same and have the same pattern of transfer.

### *Professional Services Revenue and Customer Options*

Professional services revenues primarily consist of fees for document set up, XBRL tagging, and consulting with our customers on business processes and best practices. We have determined that an agreement to purchase these professional services constitutes an option to purchase services in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification No. 606, *Revenue from Contracts with Customers*, (ASC 606) rather than an agreement that creates enforceable rights and obligations because of the customer’s contractual right to cancel services that have not yet been used. In the limited case of agreements where we determined that the option provides the customer with a material right, we allocate a portion of the transaction price to the material right based upon the relative standalone selling price. Professional service agreements that do not contain a material right are accounted for when the customer exercises its option to purchase additional services. Revenue is recognized 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.

### *Contracts with Multiple Performance Obligations*

Some of our contracts with customers contain multiple performance obligations. For these contracts, we account for the individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine the standalone selling prices based on our overall pricing objectives, taking into consideration market conditions and entity-specific factors, including the value of our arrangements, length of term, customer demographics and the numbers and types of users within our arrangements.

### ***Deferred Revenue***

We typically invoice our customers for subscription and support fees annually in advance on one- to three-year contract terms. For contracts with a two or three year term, customers sometimes elect to pay the entire multi-year subscription term in advance. Unpaid invoice amounts for non-cancelable services starting in future periods are included in accounts receivable and deferred revenue. The portion of deferred revenue that we anticipate will be recognized after the succeeding twelve-month period is recorded as non-current deferred revenue, and the remaining portion is recorded as current deferred revenue.

### ***Customer Deposits***

As an agreement to purchase professional services constitutes a customer option, fees received in advance of these services being performed are considered customer deposits and are included in accrued expenses and other current liabilities on the consolidated balance sheets. Unpaid invoice amounts for these professional services starting in future periods are excluded from accounts receivable and accrued expenses and other current liabilities.

### ***Cost of Revenue***

Cost of revenue consists primarily of personnel and related costs directly associated with the professional services and 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.

### ***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.

Advertising costs are charged to sales and marketing expense as incurred. Advertising expense totaled \$5.6 million, \$3.8 million and \$3.4 million for the years ended December 31, 2021, 2020 and 2019, respectively.

### ***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, 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.

### ***Leases***

We determine whether an arrangement contains a lease at inception. Operating leases are included in operating lease right-of-use (“ROU”) assets, other current liabilities, and operating lease liabilities on our consolidated balance sheets. Finance leases are included in property and equipment, net, finance lease obligations, and finance lease obligations, non-current on our consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Our variable lease payments consist of non-lease services related to the lease. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. We do not include options to extend or terminate the lease term unless it is reasonably certain that we will exercise any such options. We recognize rent expense under our operating leases on a straight-line basis. For finance leases, we record interest expense on the lease liability in addition to amortizing the right-of-use asset (generally straight-line) over the shorter of the lease term or the useful life of the right-of-use asset.

We have lease agreements with lease and non-lease components. We have elected to account for these lease and non-lease components as a single lease component. We do not recognize right-of-use assets or lease liabilities for short-term leases, which have a lease term of twelve months or less, and instead will recognize lease payments as expense on a straight-line basis over the lease term.

### ***Acquisitions***

When we acquire a business, the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date. During the measurement period, which may be up to one year from the acquisition date, adjustments to the fair value of assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to our consolidated statement of operations.

### ***Goodwill***

Goodwill represents the cost in excess of the fair value of the net assets acquired in a business combination. Goodwill is tested for impairment at the reporting unit level on an annual basis and on an interim basis if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. We perform our annual goodwill impairment test as of October 1. For the year ended December 31, 2021, we determined there were no events or circumstances which indicated that the carrying value of a reporting unit exceeded the fair value.

### ***Intangible Assets***

Intangible assets consist of patents and intangible assets acquired in a business combination or asset acquisition, primarily technology, customer-related assets, and trade names. Patents are recorded at cost to obtain and amortized over the useful lives. Certain patents are in the legal application process and therefore are not currently being amortized. Intangible assets acquired in a business combination or an asset acquisition are recorded at fair value on the date of acquisition and amortized over their estimated useful lives.

### ***Impairment of Long-Lived Assets***

Long-lived assets, such as property, equipment, right-of-use assets, and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require that a long-lived asset or asset group be tested for possible impairment, we first compare the undiscounted cash flows expected to be generated by that long-lived asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. There were no impairment losses related to long-lived assets in any of the periods presented.

### ***Stock-Based Compensation***

We measure all share-based payments, including grants of options to purchase common stock and the issuance of restricted stock units to employees, service providers and board members, using a fair-value based method. We record forfeitures as they occur. The cost of services received from employees and non-employees in exchange for awards of equity instruments is recognized in the consolidated statement of operations based on the estimated fair value of those awards on the grant date or reporting date, if required to be remeasured, and amortized on a straight-line basis over the requisite service period. We use the Black-Scholes option-pricing model to determine the fair values of shares to be issued pursuant to our Employee Stock Purchase Plan (“ESPP”). For restricted stock units, fair value is based on the closing price of our common stock on the grant date.



### ***Income Taxes***

We record current income taxes based on our estimates of current taxable income and provide for deferred income taxes to reflect estimated future income tax payments and receipts. We are subject to federal income taxes as well as state taxes. In addition, we are subject to taxes in the foreign jurisdictions where we operate.

We account for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, we determine deferred tax assets and liabilities on the basis of the differences between the financial statement and tax bases of assets and liabilities by using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment rate.

We account for the effects of Global Intangible Low-Taxed Income in the period incurred.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and results of recent operations. If we determine that we would be able to realize our deferred tax assets in the future in excess of their net recorded amount, we would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

We record uncertain tax positions in accordance with ASC 740, *Income Taxes*, on the basis of a two-step process in which (1) we determine whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not threshold, we recognize the largest amount of tax benefit that is more than 50 percent likely to be realized upon ultimate settlement with the related tax authority.

We recognize interest and penalties related to unrecognized tax benefits on the (benefit) provision for income taxes line in the accompanying consolidated statements of operations. Interest and penalties were not significant during the years ended December 31, 2021, 2020 and 2019. Accrued interest and penalties are included on the accrued expenses and other current liabilities line in the consolidated balance sheets.

### ***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are recorded at the invoiced amount net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on our assessment of the collectability of customer accounts. We regularly review our receivables that remain outstanding past their applicable payment terms and established an allowance for potential write-offs by considering factors such as historical experience, credit quality, age of the accounts receivable balances, and current and forecasted economic conditions that may affect a customer's ability to pay. Accounts receivable deemed uncollectible are charged against the allowance once collection efforts have been exhausted.

### ***Recently Adopted Accounting Pronouncements***

In December 2019, the FASB issued Accounting Standards Update (“ASU”) 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which was issued to simplify the accounting for income taxes by removing certain exceptions for recognizing deferred taxes, performing intraperiod allocation, and calculating income taxes in interim periods. Further, ASU 2019-12 adds guidance to reduce complexity in certain areas, including recognizing deferred taxes for tax basis goodwill and allocating taxes to members of a consolidated group. The standard became effective for interim and annual periods beginning after December 15, 2020, with early adoption permitted. Effective January 1, 2021, we adopted this standard. The adoption of this new standard did not have a material impact on our consolidated financial statements.

### ***New Accounting Pronouncements Not Yet Adopted***

In October 2021, the FASB issued 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. We intend to adopt this standard on January 1, 2022 and do not expect the adoption of this update to 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 under Topic 815, or that do not result in substantial premiums accounted for as paid-in capital. The convertible debt instruments will be accounted for as a single liability measured at amortized cost. This will also result 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 will adopt this standard on January 1, 2022 using the modified retrospective method. Adoption of the new standard is expected to result in a decrease to accumulated deficit of approximately \$18 million, a decrease to additional paid-in capital of approximately \$58 million, and an increase to convertible senior notes, current of approximately \$40 million on the consolidated balance sheet.

## **2. Cash Equivalents and Marketable Securities**

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>

At December 31, 2020, cash equivalents and marketable securities consisted of the following (in thousands):

	Amortized Cost	Unrealized Gains	Unrealized Losses	Aggregate Fair Value
Money market funds	\$ 265,578	\$ —	\$ —	\$ 265,578
Commercial paper	21,489	—	—	21,489
U.S. treasury debt securities	51,731	80	(2)	51,809
Corporate debt securities	147,715	214	(47)	147,882
Foreign government debt securities	1,025	2	—	1,027
	<u>\$ 487,538</u>	<u>\$ 296</u>	<u>\$ (49)</u>	<u>\$ 487,785</u>
Included in cash and cash equivalents	<u>\$ 280,578</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 280,578</u>
Included in marketable securities	<u>\$ 206,960</u>	<u>\$ 296</u>	<u>\$ (49)</u>	<u>\$ 207,207</u>

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

	As of December 31, 2021
Due within one year	\$ 138,637
Due in one to two years	91,423
Due in three to five years	—
	<u>\$ 230,060</u>

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 December 31, 2021, aggregated by investment category and the length of time that individual securities have been in a continuous loss position (in thousands):

	As of December 31, 2021			
	Less than 12 months		12 months or greater	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. treasury debt securities	\$ 46,553	\$ (206)	\$ —	\$ —
Corporate debt securities	156,588	(334)	—	—
Total	<u>\$ 203,141</u>	<u>\$ (540)</u>	<u>\$ —</u>	<u>\$ —</u>

We do not believe the unrealized losses represent credit losses based on our evaluation of available evidence as of December 31, 2021, 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.

### 3. Supplemental Consolidated Balance Sheet Information

#### *Property and Equipment, net*

Property and equipment, net as of December 31, 2021 and 2020 consisted of (in thousands):

	As of December 31,	
	2021	2020
Building under finance lease	\$ 21,574	\$ 21,574
Computers, equipment and software	10,495	7,995
Furniture and fixtures	8,373	8,284
Vehicles	97	97
Leasehold improvements	7,907	7,755
Construction in process	361	93
	48,807	45,798
Less: accumulated depreciation and amortization	(19,986)	(16,433)
	<u>\$ 28,821</u>	<u>\$ 29,365</u>

Accumulated amortization related to finance leases was \$2.7 million and \$1.8 million as of December 31, 2021 and 2020, respectively.

#### *Accrued Expenses and Other Current Liabilities*

Accrued expenses and other current liabilities as of December 31, 2021 and 2020 consisted of (in thousands):

	As of December 31,	
	2021	2020
Accrued vacation	\$ 11,221	\$ 10,294
Accrued commissions	11,122	12,678
Accrued bonuses	8,292	6,573
Accrued payroll	4,494	2,631
Estimated health insurance claims	1,814	1,224
Accrued interest	1,455	1,455
ESPP employee contributions	5,349	4,269
Customer deposits	26,517	18,283
Operating lease liabilities	6,008	4,541
Accrued other liabilities	7,854	6,308
	<u>\$ 84,126</u>	<u>\$ 68,256</u>

### 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. As of December 31, 2021 and 2020, 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. 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 December 31, 2021			Fair Value Measurements as of December 31, 2020		
	Total	Level 1	Level 2	Total	Level 1	Level 2
Money market funds	\$ 259,754	\$ 259,754	\$ —	\$ 265,578	\$ 265,578	\$ —
Commercial paper	10,479	—	10,479	21,489	—	21,489
U.S. treasury debt securities	54,605	—	54,605	51,809	—	51,809
Corporate debt securities	161,461	—	161,461	147,882	—	147,882
Foreign government debt securities	5,015	—	5,015	1,027	—	1,027
	<u>\$ 491,314</u>	<u>\$ 259,754</u>	<u>\$ 231,560</u>	<u>\$ 487,785</u>	<u>\$ 265,578</u>	<u>\$ 222,207</u>
Included in cash and cash equivalents	\$ 261,254			\$ 280,578		
Included in marketable securities	\$ 230,060			\$ 207,207		

We completed acquisitions during the year ended December 31, 2021. The values of the net assets acquired and any resulting goodwill were recorded at fair value using Level 3 inputs. The majority of the related current assets acquired and liabilities assumed were recorded at their carrying values as of the date of acquisition, as their carrying values approximated their fair values due to their short-term nature. The fair values of goodwill and definite-lived intangible assets acquired in the acquisition was externally estimated primarily based on the income approach. The income approach estimates fair value

based on the present value of the cash flows that the assets are expected to generate in the future. We developed internal estimates for the expected cash flows and discount rates used in the present value calculations.

### ***Convertible Senior Notes***

As of December 31, 2021, the fair value of our convertible senior notes was \$614.7 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 8 to the consolidated financial statements for more information.

## **5. Deferred Costs**

Deferred costs, which primarily consist of costs to obtain contracts with customers, were \$64.2 million and \$45.3 million for the years ended December 31, 2021 and 2020, respectively. Amortization expense for the deferred costs was \$34.1 million and \$21.0 million for the years ended December 31, 2021 and 2020, respectively. There were no material impairment losses in relation to the costs capitalized for the periods presented.

## **6. Commitments and Contingencies**

### ***Purchase Commitments***

We enter into certain non-cancelable agreements with third-party providers for our use of cloud services and cloud infrastructure services in the ordinary course of business. Under these agreements, we are committed to purchase \$13.7 million in fiscal year 2022, \$13.5 million in fiscal year 2023, and \$11.1 million in fiscal year 2024.

### ***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. Leases**

We lease certain office space, residential space, buildings and land with various lease terms through June 2043. Certain office leases include one or more options to renew, with renewal terms that can extend the lease term from 1 to 5 years. The exercise of lease renewal options is at our sole discretion and are assessed whether to factor as part of the lease term at lease inception. Our leases generally require us to pay a proportionate share of real estate taxes, insurance, common area maintenance, and other operating costs in addition to a base or fixed rent.

The components of lease expense recognized in the consolidated statements of operations were as follows (in thousands):

	Year ended December 31,		
	2021	2020	2019
Operating lease cost	\$ 4,750	\$ 4,475	\$ 3,544
Finance lease cost:			
Amortization of right-of-use assets	880	922	926
Interest on lease obligations	956	1,197	1,306
Short-term lease cost	1,667	1,727	1,324
Variable lease cost	1,163	1,214	923
	<u>\$ 9,416</u>	<u>\$ 9,535</u>	<u>\$ 8,023</u>

Supplemental cash flow information related to leases was as follows (in thousands):

	Year ended December 31,		
	2021	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	\$ 6,028	\$ 5,350	\$ 4,018
Finance cash flows from finance leases	1,705	1,641	1,565
Right-of-use assets obtained in exchange for lease obligations:			
Operating leases	\$ 6,299	\$ 4,121	\$ 2,207
Finance leases	—	—	—

Other supplemental information related to leases was as follows:

	As of December 31,		
	2021	2020	2019
Weighted Average Remaining Lease Term (in years)			
Operating leases	5.7	6.5	7.6
Finance leases	21.4	22.4	23.4
Weighted Average Discount Rate			
Operating leases	4.9 %	5.5 %	5.7 %
Finance leases	5.5 %	5.5 %	6.0 %

As of December 31, 2021, the aggregate annual lease obligations were as follows (in thousands):

	Operating Leases	Finance Leases
2022	\$ 6,946	\$ 2,436
2023	5,561	1,315
2024	4,247	1,315
2025	2,572	1,315
2026	1,536	1,315
Thereafter	5,439	18,661
Total lease obligations	26,301	26,357
Less: Amount representing interest	(3,885)	(9,695)
Net lease obligations	\$ 22,416	\$ 16,662

## 8. Debt

### *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.

Holder 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.

If we undergo a fundamental change (as defined in the indenture), holders may require us to repurchase for cash all or any portion of their Notes at a fundamental change repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest to, but excluding, the fundamental change repurchase date. In addition, following certain corporate events that occur prior to the maturity date or if we deliver a notice of redemption, we will increase, in certain circumstances, the conversion rate for a holder who elects to convert its Notes in connection with such corporate event or notice of redemption, as the case may be.

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.

In accounting for the issuance of the Notes, we separated the Notes into liability and equity components. The carrying amount of the liability component was calculated by measuring the fair value of similar debt instruments that do not have an associated convertible feature. The carrying amount of the equity component, representing the conversion option, was determined by deducting the fair value of the liability components from the par value of the Notes. The difference represents the debt discount that is amortized to interest expense at an effective interest rate of 4.3% over the term of the Notes. The carrying amount of the equity component was \$60.1 million and is recorded in additional paid-in-capital. The equity component is not remeasured as long as it continues to meet the conditions for equity classification.

In accounting for the issuance costs related to the Notes, we allocated the total amount incurred to the liability and equity components of the Notes based on the proportion of the proceeds allocated to the debt and equity components. Issuance costs attributable to the liability component were \$7.5 million. The issuance costs allocated to the liability component are amortized to interest expense under the effective interest rate method over the contractual term of the Notes. Issuance costs attributable to the equity component of the Notes were \$1.6 million and are netted against the equity components representing the conversion option in additional paid-in capital.

During the third and fourth quarters of 2021 one of the conversion conditions was met and the Notes are convertible at the option of the holders through March 31, 2022. Specifically, the last reported sale price of our Class A common stock exceeded 130% of the conversion price of the Notes for more than 20 trading days during the 30 consecutive trading days ended September 30, 2021 and December 31, 2021. As a result, the Notes are classified as current liabilities on the condensed consolidated balance sheet as of December 31, 2021. As of December 31, 2021, and through the date of this filing, we have not received any conversion requests for the Notes.

As of December 31, 2021 the if-converted value of the Notes exceeded the principal amount by \$216.6 million.

As of December 31, 2021, the remaining life of the Notes is approximately 4.8 years.

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

	As of December 31,	
	2021	2020
Liability component:		
Principal	\$ 345,000	\$ 345,000
Unamortized discount	(41,193)	(49,346)
Unamortized issuance costs	(5,146)	(6,164)
Net carrying amount	\$ 298,661	\$ 289,490
Equity component, net of purchase discounts and issuance costs	\$ 58,560	\$ 58,560

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

	Year ended December 31,		
	2021	2020	2019
Contractual interest expense	\$ 3,881	\$ 3,880	\$ 1,444
Amortization of debt discount	8,153	7,901	2,900
Amortization of issuance costs	1,018	988	362
Total interest expense	\$ 13,052	\$ 12,769	\$ 4,706

## 9. Stockholders' Equity (Deficit)

We have two classes of authorized common stock: Class A common stock and Class B common stock. The rights of the holders of our Class A common stock and our Class B common stock are identical, except with respect to voting and conversion. Each share of our Class A common stock is entitled to one vote per share and is not convertible into any other shares of our capital stock. Each share of our Class B common stock is entitled to ten votes per share and is convertible into one share of our Class A common stock at any time. Our Class B common stock also will automatically convert into shares of our Class A common stock upon certain transfers and other events.

## 10. 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, 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”).

As of December 31, 2021, awards granted under the 2009 Plan consisted of stock options and awards granted under the 2014 Plan consisted of stock options and restricted stock units. There were no other grants of any other award types under the Plans. As of December 31, 2021, 1,180,086 shares of Class A common stock were available for grant under the 2014 Plan.

Our ESPP became effective on June 13, 2017. Under the ESPP, eligible employees are granted options to purchase shares of Class A common stock at the lower of 85% of the fair market value of the stock at the time of grant or 85% of the fair market value at the time of exercise. Options to purchase shares are granted twice yearly on or about July 15 and January 15 and are exercisable on or about the succeeding January 14 and July 14, respectively, of each year. As of December 31, 2021, 4,296,514 shares of Class A common stock were available for issuance under the ESPP. No participant may purchase more than \$12,500 worth of Class A common stock in a six-month offering period.

### 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):

	Year ended December 31,		
	2021	2020	2019
Cost of revenue			
Subscription and support	\$ 2,868	\$ 1,709	\$ 1,554
Professional services	1,729	1,434	1,725
Operating expenses			
Research and development	9,590	8,100	8,006
Sales and marketing	13,901	11,062	8,792
General and administrative	20,545	23,466	15,707
Total	<u>\$ 48,633</u>	<u>\$ 45,771</u>	<u>\$ 35,784</u>

**Stock Options**

The following table summarizes the option activity under the Plans for the year ended December 31, 2021:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
				(in thousands)
Outstanding at December 31, 2020	2,903,167	\$ 14.48	4.7	\$ 223,941
Granted	—	—		
Forfeited	(6,895)	19.29		
Exercised	(1,141,092)	14.55		
Outstanding at December 31, 2021	<u>1,755,180</u>	\$ 14.42	4.0	\$ 203,720
Exercisable at December 31, 2021	1,755,180	\$ 14.42	4.0	\$ 203,720

Options to purchase Class A common stock generally vest over a three- or four-year period and are generally granted for a term of ten years. The total intrinsic value of options exercised during the years ended December 31, 2021, 2020 and 2019 was \$123.4 million, \$55.8 million and \$75.6 million, respectively.

No options were granted during the years ended December 31, 2021, 2020 and 2019. The total fair value of options vested during the years ended December 31, 2021, 2020 and 2019 was approximately \$0.9 million, \$3.5 million and \$5.8 million, respectively. As of December 31, 2021 there was no unrecognized compensation expense related to options.

**Restricted Stock Units**

Restricted stock units granted to employees generally vest over a three- or four-year period in equal, annual installments or with three-year cliff vesting. Restricted stock units granted to non-employee members of our Board of Directors generally have one-year cliff vesting from the date of grant. The recipient of a restricted stock unit award under the 2014 Plan will have no rights as a stockholder until share certificates are issued by us, but, at the discretion of our Compensation Committee, has the right to receive a dividend equivalent payment in the form of additional restricted stock units. Additionally, until the shares are issued, they have no voting rights and may not be bought or sold. The fair value for restricted stock unit awards is calculated based on the stock price on the date of grant. The total fair value of restricted stock units vested during the years ended December 31, 2021, 2020, and 2019 was approximately \$54.9 million, \$27.7 million, and \$8.8 million, respectively.

The following table summarizes the restricted stock unit activity under the Plan for the year ended December 31, 2021:

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2020	2,904,616	\$ 35.72
Granted	916,634	109.64
Forfeited	(218,852)	64.36
Vested <sup>(1)</sup>	(1,710,699)	31.89
Unvested at December 31, 2021	<u>1,891,699</u>	<u>\$ 73.04</u>

(1) During the year ended December 31, 2021, in accordance with our Nonqualified Deferred Compensation Plan, recipients of 402,832 shares had elected to defer settlement of the vested restricted stock units and 270,567 were released from deferral. This resulted in total deferred units of 695,869 as of December 31, 2021.

Compensation expense associated with unvested restricted stock units is recognized on a straight-line basis over the vesting period. At December 31, 2021, there was approximately \$100.6 million of total unrecognized compensation expense related to restricted stock units, which is expected to be recognized over a weighted-average period of 2.7 years.

### Employee Stock Purchase Plan

The fair value of each option grant issued under the ESPP is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based on the historical volatility of our Class A common stock, and the expected term represents the period of time the ESPP purchase rights are expected to be outstanding and approximates the offering period. The risk-free interest rate is based on yields on U.S. Treasury STRIPS (“Separate Trading of Registered Interest and Principal of Securities”) with a maturity similar to the estimated expected term of the ESPP purchase rights.

The fair value of our ESPP purchase rights was estimated assuming no expected dividends and the following weighted-average assumptions:

	Year ended December 31,		
	2021	2020	2019
ESPP			
Expected term (in years)	0.5	0.5	0.5
Risk-free interest rate	0.1%	0.2% - 1.5%	1.9% - 2.6%
Expected volatility	41.8% - 45.0%	40.6% - 61.0%	35.0% - 49.0%

The following table summarizes the ESPP activity under the Plan for the years ended December 31, 2021, 2020 and 2019:

	For the year ended December 31,		
	2021	2020	2019
Shares issued	148,864	186,855	188,390
Weighted-average purchase price	\$ 59.52	\$ 38.68	\$ 26.13
Total proceeds (in thousands)	\$ 8,861	\$ 7,227	\$ 4,922

Compensation expense associated with ESPP purchase rights is recognized on a straight-line basis over the vesting period. At December 31, 2021, there was approximately \$129,438 of total unrecognized compensation expense related to the ESPP, which is expected to be recognized over a weighted-average period of 14 days.

## 11. Accumulated Other Comprehensive Income

The following table summarizes the activity of accumulated other comprehensive income during the years ended December 31, 2021, 2020 and 2019 (in thousands):

	Accumulated translation adjustment	Accumulated unrealized holding gains (losses) on available-for-sale securities	Accumulated other comprehensive income (loss)
Balance at December 31, 2018	\$ 165	\$ (67)	\$ 98
Other comprehensive income	13	176	189
Balance at December 31, 2019	178	109	287
Other comprehensive (loss) income	(137)	80	(57)
Balance at December 31, 2020	41	189	230
Other comprehensive income (loss)	266	(784)	(518)
Balance at December 31, 2021	\$ 307	\$ (595)	\$ (288)

## 12. Acquisitions

### *Mark V Systems Limited*

On December 29, 2021, we acquired all of the stock in Mark V Systems Limited, the author of the only open source eXtensible Business Reporting Language validation engine, which ensures the continued accessibility of the open source validation engine. The acquisition was not material to the consolidated financial statements.

### *AuditNet, LLC*

On December 10, 2021, we acquired all of the membership interests in AuditNet, LLC, a global audit content and services provider, which strengthens Workiva's risk and assurance offerings. The acquisition was not material to the consolidated financial statements.

### *OneCloud, Inc.*

On July 30, 2021, we acquired all of the equity interest in OneCloud, Inc. ("OneCloud"), an integration platform as a service ("iPaaS") company, in order to extend our integration and data preparation capabilities, for \$35.1 million, net of cash acquired of \$1.5 million.

We previously held an investment in OneCloud which was accounted for as an investment in equity securities. Prior to performing purchase accounting we remeasured the previous ownership interest to fair value, increasing the value to \$4.7 million, which resulted in a gain of \$3.7 million recorded in other income (expense), net in the condensed consolidated statement of operations.

The transaction has been accounted for as a business combination and the purchase price has been preliminarily allocated to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price over the fair value of the net assets acquired was allocated to goodwill. The goodwill recognized was primarily attributable to the assembled workforce and strategic benefits that are expected to be achieved and is not deductible for income tax purposes.

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

Cash consideration	\$	36,564
Previously held equity interest		4,698
Total consideration	\$	<u>41,262</u>
Cash	\$	1,497
Intangible assets		7,000
Goodwill		34,556
Other assets		548
Deferred revenue		(900)
Deferred tax liability		(1,265)
Other liabilities		(174)
Fair value of assets and liabilities	\$	<u>41,262</u>

We incurred costs related to the acquisition of approximately \$0.4 million during the year ended December 31, 2021. All acquisition related costs were expensed as incurred and have been recorded in general and administrative expenses in our condensed consolidated statements of operations.

The amount of revenues and net loss from the acquisition included in our consolidated statements of operations for the year ended December 31, 2021 were insignificant.

### 13. Goodwill and Intangible Assets

#### *Goodwill*

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

December 31, 2020	\$	—
Acquisition and purchase accounting adjustment		34,556
December 31, 2021	\$	<u>34,556</u>

### Intangible Assets

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

	December 31, 2021			December 31, 2020			
	Weighted Average Useful Life (Years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Acquired technology	4	\$ 7,920	\$ (701)	\$ 7,219	\$ —	\$ —	\$ —
Acquired customer-related	8.7	360	(14)	346	—	—	—
Acquired trade names	2	1,478	(21)	1,457	—	—	—
Patents	10	2,740	(1,328)	1,412	2,538	(955)	1,583
Total	5.2	\$ 12,498	\$ (2,064)	\$ 10,434	\$ 2,538	\$ (955)	\$ 1,583

Amortization expense related to intangible assets was \$1.1 million, \$0.4 million and \$0.3 million for the years ended December 31, 2021, 2020 and 2019, respectively. As of December 31, 2021, expected remaining amortization expense of intangible assets by fiscal year is as follows (in thousands):

2022	\$	3,074
2023		2,962
2024		2,201
2025		1,473
2026		163
Thereafter		561
Total expected amortization expense	\$	10,434

### 14. Geographic Information

Revenues by geographical region consisted of the following (in thousands):

	For the year ended December 31,		
	2021	2020	2019
Subscription and support revenue			
Americas	\$ 342,673	\$ 273,574	\$ 233,653
Other	36,666	22,303	12,112
Professional services revenue			
Americas	58,312	51,142	49,323
Other	5,634	4,575	2,803
	\$ 443,285	\$ 351,594	\$ 297,891

Revenues by geography are generally based on the country of the customer as specified in our subscription order. Total Americas revenue attributed to the United States was approximately 93%, 94%, and 95% during each of the years ended December 31, 2021, 2020, and 2019, respectively. No other country represented more than 10% of total revenue during the years presented.



Our long-lived assets, which primarily consist of property and equipment and operating lease right-of-use assets, are attributed to a country based on the physical location of the assets. Aggregate long-lived assets by geographical region consisted of the following (in thousands):

	For the year ended December 31,	
	2021	2020
United States	\$ 40,585	\$ 42,422
United Kingdom	4,437	69
Other	1,559	2,718
	<u>\$ 46,581</u>	<u>\$ 45,209</u>

## 15. Revenue Recognition

### *Disaggregation of Revenue*

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

	For the year ended December 31,		
	2021	2020	2019
Information technology	\$ 47,697	\$ 34,878	\$ 30,798
Diversified financials	57,470	44,326	34,614
Consumer discretionary	41,826	34,029	29,147
Industrials	59,797	46,764	39,210
Healthcare	39,394	30,676	24,764
Banks	46,702	39,630	33,573
Insurance	27,206	21,993	18,047
Energy	21,093	18,380	18,113
Real estate	21,042	18,070	16,572
Utilities	21,319	13,561	12,231
Materials	19,357	16,321	14,761
Public administration	13,719	11,433	6,974
Consumer staples	13,146	10,683	9,570
Other	13,517	10,850	9,517
Total revenues	<u>\$ 443,285</u>	<u>\$ 351,594</u>	<u>\$ 297,891</u>

Revenues by industry are derived from leading software providers. In 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):

	For the year ended December 31,					
	2021		2020		2019	
Subscription and support	\$	379,340	\$	295,877	\$	245,765
XBRL professional services		44,763		38,032		38,734
Other services		19,182		17,685		13,392
Total revenues	\$	443,285	\$	351,594	\$	297,891

***Deferred Revenue***

During the year ended December 31, 2021, we recognized \$239.3 million of revenue that was included in the deferred revenue balance at the beginning of the period.

***Transaction Price Allocated to the Remaining Performance Obligations***

As of December 31, 2021, revenue of approximately \$576.2 million is expected to be recognized from remaining performance obligations for subscription contracts. We expect to recognize approximately \$336.0 million of these remaining performance obligations over the next 12 months, with the balance recognized thereafter.

## 16. Income Taxes

Loss before income tax provision (benefit) consisted of the following (in thousands):

	For the year ended December 31,		
	2021	2020	2019
United States	\$ (41,567)	\$ (50,193)	\$ (46,580)
Foreign	2,467	1,504	(760)
Total	\$ (39,100)	\$ (48,689)	\$ (47,340)

The provision (benefit) for income taxes consisted of the following (in thousands):

	For the year ended December 31,		
	2021	2020	2019
<b>Current</b>			
Federal	\$ —	\$ —	\$ —
State	98	120	59
Foreign	479	(148)	252
Total Current	\$ 577	\$ (28)	\$ 311
<b>Deferred</b>			
Federal	\$ (1,252)	\$ —	\$ (65)
State	(374)	—	—
Foreign	(321)	(263)	(107)
Total Deferred	\$ (1,947)	\$ (263)	\$ (172)
<b>Total</b>	\$ (1,370)	\$ (291)	\$ 139

During the years ended December 31, 2021, 2020 and 2019, we recorded a federal income tax benefit of \$1,252,000, \$0, and \$65,000, respectively. The current year benefit was related to current year acquisitions. As the reversal of the acquired net deferred tax liabilities will be recognized on future tax returns, these provide an objective source of taxable income. Therefore, a corresponding portion of our valuation allowance has been released to reflect this availability, resulting in a federal and state tax benefit reflected in the table above. The prior year federal benefit was primarily related to the allocation of tax expense (benefit) between continuing operations and other comprehensive income (loss) when applying the exception to the ASC 740 intraperiod tax allocation rule. Prior to the adoption of ASU 2019-12, intraperiod tax allocation rules required us to allocate the provision for income taxes between continuing operations and other categories of earnings, such as other comprehensive income. In periods in which we have a year-to-date pre-tax loss from continuing operations and pre-tax income in other categories of earnings, such as other comprehensive income, we must allocate the tax provision to the other categories of earnings and then record a related tax benefit in continuing operations. This exception to the general rule applies even when a valuation allowance is in place at the beginning and end of the year.

In response to the COVID-19 pandemic, the Canada Revenue Agency extended the filing due dates allowing for the Scientific Research and Experimental Development (“SR&ED”) reporting deadlines to be extended for six months, but no later than December 31, 2020. We were able to leverage this deadline extension and amended our 2018 Canadian return for the SR&ED credit thus generating a current and deferred foreign tax benefit for the year ended December 31, 2020.

The items accounting for the difference between income taxes computed at the federal statutory income tax rate and the provision for income taxes consisted of the following (in thousands):

	<b>For the year ended December 31,</b>		
	<b>2021</b>	<b>2020</b>	<b>2019</b>
Federal statutory rate	21.0 %	21.0 %	21.0 %
Effect of:			
Tax benefit at federal statutory rate	\$ (8,211)	\$ (10,225)	\$ (9,941)
State taxes, net of federal benefit	(15,350)	(3,394)	(4,985)
Revaluation of deferred tax items due to tax rate change (state)	—	(404)	—
Section 162(m) limitations	9,008	6,682	2,944
Stock-based compensation	(49,020)	(12,665)	(14,728)
Nondeductible permanent items	1,422	2,001	1,103
Tax benefit of federal R&D credit	(3,694)	(3,509)	(3,141)
Valuation allowance	63,369	21,981	29,068
Other	1,106	(758)	(181)
Total income tax provision	<u>\$ (1,370)</u>	<u>\$ (291)</u>	<u>\$ 139</u>

The components of deferred tax assets and liabilities were as follows (in thousands):

	As of December 31,	
	2021	2020
Deferred tax assets:		
Property and equipment	\$ 2,770	\$ 2,636
Accruals and reserves	48	173
Lease liability	9,014	9,984
Compensation and benefits	15,266	19,035
Deferred revenue	21,709	11,753
Net operating loss and credits	150,448	91,300
Interest expense	4,035	2,521
Other	546	347
Total deferred tax assets	203,836	137,749
Valuation allowance	(174,771)	(111,402)
Total deferred tax assets	29,065	26,347
Deferred tax liabilities:		
Property and equipment	(48)	(10)
Right-of-use asset	(8,275)	(8,772)
Convertible notes	(10,916)	(13,076)
Acquired intangibles	(2,022)	—
Deferred commissions	(6,761)	(3,900)
Other deferred tax liabilities	(321)	(222)
Deferred tax liabilities	(28,343)	(25,980)
Total	\$ 722	\$ 367

Management assesses the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the cumulative loss incurred over the three-year period ended December 31, 2021. Such objective evidence limits the ability to consider other subjective evidence, such as our projections for future growth. On the basis of this evaluation, we recognized a full valuation allowance against our net US deferred tax asset at December 31, 2021, because we believe it is more likely than not that these benefits will not be realized.

As of December 31, 2021, we have federal and state net operating loss carryforwards of approximately \$481.8 million and \$466.9 million, respectively, available to reduce any future taxable income. The federal net operating loss carryforwards will expire in varying amounts beginning in 2034. Federal and some state net operating losses incurred after 2017 will have an indefinite carryforward. The state net operating loss carryforwards will expire in varying amounts beginning in 2021. Additionally, we have total net operating loss carryforwards from international operations of \$2.9 million that do not expire. We also have approximately \$19.8 million of federal and \$3.1 million of state tax credit carryforwards as of December 31, 2021. The federal credits will expire in varying amounts between the years 2034 and 2040. The state credits expire beginning in 2022. Utilization of our net operating loss and tax credit carryforwards may be subject to substantial annual limitations due to the ownership change limitations provided by Section 382 of the Internal Revenue Code, as amended, and similar state provisions.

We have analyzed our inventory of tax positions taken with respect to all applicable income tax issues for all open tax years. The gross unrecognized tax benefits, if recognized, would not materially affect the effective tax rate as of December 31, 2021, due to the availability of net operating losses.

We are subject to taxation in the United States and various states and foreign jurisdictions. As of December 31, 2021, tax years for 2017 through 2020 are subject to examination by the tax authorities. Generally, as of December 31, 2021, we are no longer subject to federal, state, local or foreign examinations by tax authorities for years before 2017. However, to the extent allowed by law, the tax authorities may have the right to examine prior periods where net operating losses or tax credits were generated and carried forward, and make adjustments up to the amount of the net operating loss or credit carryforward.

## 17. 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 our convertible senior notes, outstanding stock options, stock related to unvested restricted stock, 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 contractual participation rights of the Class A and Class B common shares as if the loss for the year has been distributed. As the liquidation and dividend rights are identical, the net loss is allocated on a proportionate basis.

We consider unvested restricted stock granted under the 2014 Equity Incentive Plan to be participating securities because holders of such shares have non-forfeitable dividend rights in the event of our declaration of a dividend for common shares. In future periods to the extent we are profitable, we will subtract earnings allocated to these participating securities from net income to determine net income attributable to common stockholders.

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):

	Year ended					
	December 31, 2021		December 31, 2020		December 31, 2019	
	Class A	Class B	Class A	Class B	Class A	Class B
<i>Numerator</i>						
Net loss	\$ (32,724)	\$ (5,006)	\$ (39,966)	\$ (8,432)	\$ (38,135)	\$ (9,344)
<i>Denominator</i>						
Weighted-average common shares outstanding - basic and diluted	44,343,177	6,783,333	40,007,839	8,440,327	37,190,224	9,112,432
Basic and diluted net loss per share	\$ (0.74)	\$ (0.74)	\$ (1.00)	\$ (1.00)	\$ (1.03)	\$ (1.03)

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 December 31,		
	2021	2020	2019
Shares subject to outstanding common stock options	1,755,180	2,903,167	4,353,167
Shares subject to unvested restricted stock units	1,891,699	2,904,616	3,039,020
Shares issuable pursuant to the ESPP	53,877	94,390	76,466

Additionally, approximately 4.3 million shares of our Class A common stock underlying the conversion option in the Notes, are not considered in the calculation of diluted net loss per share as the effect would be anti-dilutive. We use the treasury stock method for calculating any potential dilutive effect of the conversion option on diluted net income per share, if applicable.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

### **Item 9A. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our principal executive officer and principal financial officer, our management conducted an evaluation of 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 Exchange Act, as of the end of the period covered by this report. Our disclosure controls and procedures are intended 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 Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure 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 must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our principal executive officer and principal financial officer concluded that 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 Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures.

#### **Management's Annual Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of our internal control over financial reporting based on the criteria set forth in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Based on that assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2021 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. Our independent registered public accounting firm, Ernst & Young LLP, has issued an audit report with respect to our internal control over financial reporting, which appears in Part II, Item 8 of this Annual Report on Form 10-K, and is incorporated herein by reference.



### **Changes in Internal Control Over Financial Reporting**

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended December 31, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Item 9B. Other Information**

#### **Short-Term Incentive Plan**

On February 15, 2022, the Compensation Committee of our Board of Directors approved the 2022 Short-Term Incentive Plan applicable to our executive officers for the fiscal year ending December 31, 2022. The Plan provides executive officers with the opportunity to earn cash bonuses based upon the achievement of pre-established performance metrics determined by the Committee, which may include one or more of revenue growth, operating cash flow, or operating loss excluding stock compensation. The Committee sets the target award for each participating executive as a percentage of base salary. Following the end of fiscal 2022, the Committee will review our attainment of the metrics and determine actual payouts, subject to upward or downward adjustment in its discretion.

### **Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

### Part III.

#### Item 10. Directors, Executive Officers and Corporate Governance

a) Directors of the Company.

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the heading “Election of Directors” and is incorporated herein by reference.

b) Executive Officers of the Company.

**Martin J. Vanderploeg, Ph.D.**, 65, has served as our President and Chief Executive Officer since June 2018, and as President and Chief Operating Officer since December 2014. Prior to that, Mr. Vanderploeg served as the Chief Operating Officer and a Managing Director of Workiva LLC from 2008 through December 2014. He has over 20 years of experience in mechanical engineering and advising early stage technology companies. Prior to founding Workiva in 2008, Mr. Vanderploeg was a founder of EAI and served as EAI's Executive Vice President from 1993 until EAI was acquired by Unigraphics Solutions in 2000. Mr. Vanderploeg served as Chief Technology Officer of EAI from 1989 to 1999. Following the acquisition of EAI, Mr. Vanderploeg continued to be an advisor to various technology start-up companies. Prior to EAI, Mr. Vanderploeg was a tenured professor of mechanical engineering at Iowa State University from 1985 to 1993 and was the founder and director of the Iowa State University Visualization Laboratory. Mr. Vanderploeg earned a B.S., M.S. and Ph.D. in mechanical engineering from Michigan State University.

**Julie Iskow**, 60, has served as our Executive Vice President and Chief Operating Officer since October 2019. Prior to joining Workiva, Ms. Iskow served as Chief Technology Officer of Medidata Solutions, Inc. since April 2015, as well as its Executive Vice President of Product Development since July 2016. Ms. Iskow served as Senior Vice President of Global Product Development at Medidata from April 2015 to July 2016. From December 2013 to March 2015, Ms. Iskow served as Chief Information Officer and Senior Vice President at WageWorks, Inc., and prior to that as its Senior Vice President of Product Development and Vice President of Product Development. Ms. Iskow has also served as Vice President of Engineering at Asyst Technologies and GW Associates, Inc. Before joining GW Associates, she was a member of the faculty at the University of Vermont. Ms. Iskow earned a B.S. degree from University of California, Berkeley and an M.S. degree from University of California, Davis. Since May 2019, Ms. Iskow has been an independent director of Vocera Communications, Inc. (NYSE: VCRA) and is a member of its Governance and Nominating Committee.

**Jill Klindt**, 45, has served as Senior Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer since February 2021. She served as Senior Vice President, Chief Accounting Officer and Treasurer from March 2017 to February 2021; as Chief Accounting Officer and Vice President from December 2014 to March 2017, and Senior Director of Finance and Accounting of Workiva LLC from 2008 to December 2014. Prior to joining Workiva, Ms. Klindt served as Financial Analysis Manager at Financial Intelligence, LLC; as a Financial Consultant at Wells Fargo Financial; as a Senior Financial Analyst at CitiMortgage; and a Financial Accounting Analyst at Principal Residential Mortgage. She was also an Accountant of both Prairie iNet and EAI. Ms. Klindt is a Certified Public Accountant (inactive) with a B.S. in Accounting from Iowa State University.

**Jeffrey D. Trom, Ph.D.**, 61, has served as Executive Vice President and Chief Technology Officer since December 2014 and served as a Managing Director and Chief Technology Officer of Workiva LLC from 2008 to December 2014. He has over 20 years of experience working with information technology and development. Prior to founding Workiva, Mr. Trom was a founder of EAI and served as EAI's Vice President from 1990 and as Chief Technology Officer in charge of software architecture, development and deployment from 1999 until EAI was acquired by Unigraphics Solutions in

2000. Thereafter, Mr. Trom served as a technical consultant for various technology companies, including Electronic Data Systems from 2000 to 2002. Mr. Trom earned a B.S. and M.S. in Mechanical Engineering from University of Iowa and a Ph.D. in Mechanical Engineering from Iowa State University.

**Mithun Banarjee**, 43, has served as our Executive Vice President and Chief Customer Officer since August 2018. Previously, Mr. Banarjee served as our Executive Vice President of Global Operations from August 2017 to August 2018, Executive Vice President of Global Client Services from March to August 2017, Vice President of Global Client Services from March 2015 to March 2017 and Director of Customer First Culture from December 2014 to February 2015. He also served Workiva LLC as Director of Customer First Culture from March 2012 to December 2014 and Director of Customer Operations from March 2010 to February 2012. Prior to Workiva, Mr. Banarjee was Director of Client Services at Yodle (acquired by Web.com in 2016). Previously, he managed customer relationship teams at AT&T and AOL. He earned a B.A. in Information Systems from the University of Lincoln in England, UK.

**Brandon E. Ziegler**, 48, was promoted to Executive Vice President and Chief Legal Officer of Workiva Inc. in March 2021, and has served as its Corporate Secretary since May 2020. Prior to that, Mr. Ziegler was Workiva's Senior Vice President and General Counsel from March 2020 to March 2021. Mr. Ziegler was previously Senior Vice President, Deputy General Counsel and Assistant Corporate Secretary at Medidata Solutions, a leading technology and data platform for life sciences from July 2016 to March 2020. Prior to Medidata, Mr. Ziegler was head of ADP's legal department for multinational corporations as Vice President and Assistant General Counsel from February 2007 to July 2016. Before moving in-house, Mr. Ziegler worked in private practice in New York and has extensive legal experience counseling public and private companies in global corporate development, corporate governance and commercial transactions. He earned a B.A. (cum laude) from Duke University and a J.D. from Brooklyn Law School where he was an international business law fellow.

**Michael D. Hawkins**, 46, has served as our Executive Vice President, Sales since August 2021. Previously, Mr. Hawkins served as our Senior Vice President of Sales from August 2019 to August 2021, Vice President of Sales from March 2015 to August 2019, Director of Sales from January 2013 through March 2015, Area Sales Manager from January 2012 to December 2012, and Regional Sales Director from August 2010 to December 2011. Prior to joining Workiva, Mr. Hawkins was Business Development Manager at ExactTarget from July 2008 to August 2010, as Account Executive at OnForce from May 2006 to September 2007, and as Account Executive and Director of Sales at Truist (formerly CreateHope, Inc.) from May 2001 to April 2006. Mr. Hawkins earned a B.A. from Miami University and a J.D. from George Washington University Law School.

c) Delinquent Section 16(a) Reports.

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the heading "Delinquent Section 16(a) Reports" and is incorporated herein by reference.

d) Code of Ethics.

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the heading "Corporate Governance" and is incorporated herein by reference.

e) Information regarding our Audit Committee and Nominating and Governance Committee is set forth in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the heading "Corporate Governance" and is incorporated herein by reference.

**Item 11. Executive Compensation**

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the headings “Executive Compensation” and “Director Compensation” and is incorporated herein by reference.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the headings “Ownership of Common Stock” and “Equity Compensation Plan Information” and is incorporated herein by reference.

**Item 13. Certain Relationships and Related Transactions and Director Independence**

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the headings “Certain Relationships and Related-Party and Other Transactions” and “Corporate Governance” and is incorporated herein by reference.

**Item 14. Principal Accounting Fees and Services**

Our independent registered public accounting firm is Ernst & Young LLP, Chicago, Illinois.

This information is included in our definitive proxy statement for the 2022 Annual Meeting of Stockholders under the heading “Ratification of the Appointment of Independent Registered Public Accounting Firm” and is incorporated herein by reference.

## Part IV.

### Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this Form 10-K or incorporated by reference herein:

1. All financial statements. See Index to Consolidated Financial Statements in Item 8 of this Annual Report on Form 10-K.
2. Financial Statement Schedules. Financial statement schedules are omitted as they are either not required or the information is otherwise included in the consolidated financial statements.
3. Exhibits:

<b>Exhibit Number</b>	<b>Description</b>
3.01	<a href="#">Certificate of Incorporation of Workiva Inc.</a> , incorporated by reference from Exhibit 3.1 to the Company's Current Report on Form 8-K filed on December 16, 2014.
3.02	<a href="#">Bylaws of Workiva Inc.</a> , incorporated by reference from Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 16, 2014.
4.01	<a href="#">Form of the Company's Class A common stock certificate</a> , incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-1 filed on November 17, 2014.
4.02	<a href="#">Indenture, dated August 16, 2019, between Workiva Inc. and U.S. Bank National Association</a> , incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 16, 2019.
4.03	<a href="#">Form of 1.125% Convertible Senior Note due 2026</a> , incorporated by reference from Exhibit A to the Indenture filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August 16, 2019.
4.04	<a href="#">Description of Capital Stock</a> , incorporated by reference from Exhibit 4.06 to the Company's Annual Report on Form 10-K for the year ended December 31, 2019.
10.01*	<a href="#">Amended and Restated Workiva Inc. 2009 Unit Incentive Plan</a> , incorporated by reference from Exhibit 10.1 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
10.02*	<a href="#">Workiva Inc. 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 4.5 to the Company's Registration Statement on Form S-8 filed on December 16, 2014.
10.03*	<a href="#">Form of Nonqualified Stock Option Grant for Executive Officers under 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.3 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
10.04*	<a href="#">Form of Restricted Stock Grant for Executive Officers under 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.4 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
10.05*	<a href="#">Form of Restricted Stock Grant for Non-Employee Directors under 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.5 to the Company's Registration Statement on Form S-1 filed on October 17, 2014.
10.06*	<a href="#">Form of Employment Agreement</a> , incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 3, 2021.

<b>Exhibit Number</b>	<b>Description</b>
10.07*	<a href="#">Form of Indemnification Agreement</a> , incorporated by reference from Exhibit 10.7 to the Company's Registration Statement on Form S-1 filed on November 17, 2014.
10.08	<a href="#">Sublease Agreement, dated December 19, 2011, as amended October 2, 2013, between the Company and 2900 University, LLC</a> , incorporated by reference from Exhibit 10.8 to the Company's Registration Statement on Form S-1 filed on October 17, 2014.
10.09*	<a href="#">Workiva Inc. Nonqualified Deferred Compensation Plan effective as of January 14, 2016</a> , incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 15, 2016.
10.10*	<a href="#">Form of Workiva Inc. Restricted Stock Unit Agreement for service-vesting restricted stock units under the Workiva Inc. 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.14 to the Company's Annual Report on Form 10-K for the year ended December 31, 2016.
10.11*	<a href="#">Form of Workiva Inc. Restricted Stock Unit Agreement for service-vesting restricted stock units issuable to non-employee directors under the Workiva Inc. 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed on May 4, 2016.
10.12*	<a href="#">Workiva Inc. Amended and Restated 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.1 to the Company's Current Report on Form 8-K filed on June 17, 2016.
10.13*	<a href="#">Workiva Inc. Amended and Restated 2014 Equity Incentive Plan</a> , incorporated by reference from Exhibit 10.2 to the Company's Current Report on Form 8-K filed on June 13, 2018.
10.14*	<a href="#">Amendment No. 1 to the Workiva Inc. Nonqualified Deferred Compensation Plan.</a> , incorporated by reference from Exhibit 10.22 to the Company's Annual Report on Form 10-K for the year ended December 31, 2018.
10.15*	<a href="#">Employment agreement, dated September 6, 2019, between the Company and Julie Iskow</a> , incorporated by reference from Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 6, 2019.
21.01	<a href="#">List of Subsidiaries of the Company.</a>
23.01	<a href="#">Consent of Ernst &amp; Young LLP, Independent Registered Public Accounting Firm.</a>
24.01	Power of attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K).
31.01	<a href="#">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.</a>
31.02	<a href="#">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.</a>
32.01#	<a href="#">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.</a>
32.02#	<a href="#">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.</a>
101	The following financial information from Workiva Inc.'s Annual Report on Form 10-K for the year ended December 31, 2021 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations, (iii) the Consolidated Statements of Comprehensive Loss, (iv) the Statements of Changes in Stockholders Equity (Deficit), (v) the Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements.
104	Cover Page Interactive Data File - (formatted as Inline XBRL and contained in Exhibit 101)

\* Indicates a management contract or compensatory plan.

# As contemplated by SEC Release No. 33-8212, these exhibits are furnished with this Annual Report on Form 10-K and are not deemed filed with the Securities and Exchange Commission and are not incorporated by reference in any filing of Workiva Inc. under the Securities Act of 1933 or the Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

## 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 22nd day of February, 2022.

### WORKIVA INC.

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

## POWER OF ATTORNEY

The undersigned officers and directors of Workiva Inc. hereby severally constitute Martin J. Vanderploeg our true and lawful attorney, with full power to him, to sign for us in our names in the capacities indicated below the Annual Report on Form 10-K filed herewith and any and all amendments thereto, and generally do all such things in our name and on our behalf in our capacities as officers and directors to enable Workiva Inc. to comply with the provisions of the Securities and Exchange Commission, hereby ratifying and confirming our signatures as they may be signed by our said attorneys, or any one of them on the Annual Report on Form 10-K and any and all amendments thereto.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Martin J. Vanderploeg, Ph.D.</u> Martin J. Vanderploeg, Ph.D.	President, Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	February 22, 2022
<u>/s/ Jill Klindt</u> Jill Klindt	Senior Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer <i>(Principal Financial Officer)</i>	February 22, 2022
<u>/s/ Brigid A. Bonner</u> Brigid A. Bonner	Director	February 22, 2022
<u>/s/ Michael M. Crow, Ph.D.</u> Michael M. Crow, Ph.D.	Director	February 22, 2022
<u>/s/ Robert H. Herz</u> Robert H. Herz	Director	February 22, 2022
<u>/s/ Julie Iskow</u> Julie Iskow	Director	February 22, 2022
<u>/s/ David S. Mulcahy</u> David S. Mulcahy	Director	February 22, 2022
<u>/s/ Suku Radia</u> Suku Radia	Director	February 22, 2022



**SUBSIDIARIES OF WORKIVA INC.**

<b>Name</b>	<b>Jurisdiction</b>
Workiva International LLC	Delaware
Workiva Canada ULC	Canada
Workiva Netherlands B.V.	Netherlands
Workiva UK Limited	United Kingdom
Workiva Holdings Limited	United Kingdom
Workiva Singapore Pte. Ltd.	Singapore
Workiva Hong Kong Limited	Hong Kong
Workiva Australia Pty. Ltd.	Australia
Workiva Germany GmbH	Germany
Workiva Ireland Limited	Ireland
Workiva France SAS	France
Workiva Japan G.K.	Japan
Workiva Sweden AB	Sweden

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3ASR No. 333-233222) of Workiva Inc.,
- (2) Registration Statement (Form S-8 No. 333-226647) pertaining to the 2014 Equity Incentive Plan of Workiva Inc.,
- (3) Registration Statement (Form S-8 No. 333-217667) pertaining to the Workiva Inc. 2017 Employee Stock Purchase Plan,
- (4) Registration Statement (Form S-8 No. 333-212869) pertaining to the 2014 Equity Incentive Plan of Workiva Inc., and
- (5) Registration Statement (Form S-8 No. 333-200975) pertaining to the 2014 Equity Incentive Plan and Amended and Restated 2009 Unit Incentive Plan of Workiva Inc.;

of our reports dated February 22, 2022, with respect to the consolidated financial statements of Workiva Inc. and the effectiveness of internal control over financial reporting of Workiva Inc. included in this Annual Report (Form 10-K) of Workiva Inc. for the year ended December 31, 2021.

/s/ Ernst & Young LLP

Chicago, Illinois

February 22, 2022

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

I, Martin J. Vanderploeg, Ph.D., certify that:

1. I have reviewed this Annual Report on Form 10-K 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.

February 22, 2022

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

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

I, Jill Klindt, certify that:

1. I have reviewed this Annual Report on Form 10-K 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.

February 22, 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, President and Chief Executive Officer of Workiva Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. the Annual Report on Form 10-K of the Company for the period ended December 31, 2021 (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.

February 22, 2022

/s/ Martin J. Vanderploeg, Ph.D.  
Martin J. Vanderploeg, Ph.D.  
President and 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 Annual Report on Form 10-K of the Company for the period ended December 31, 2021 (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.

February 22, 2022

/s/ Jill Klindt

Jill Klindt

Senior Vice President, Chief Financial Officer, Chief Accounting Officer and Treasurer  
(Principal Financial Officer)