



Workiva Announces Fourth Quarter and Full Year 2020 Financial Results

Q4 Subscription and Support Revenue of \$81.0 Million, up 22.4% from Q4 2019

Q4 Total Revenue of \$93.8 Million, up 16.9% from Q4 2019

Full Year 2020 Total Revenue of \$351.6 Million, up 18.0% from 2019

AMES, Iowa - February 17, 2021 – Workiva Inc. (NYSE:WK), the company that simplifies complex work, today announced financial results for its fourth quarter and full year ended December 31, 2020.

"We are pleased with our fourth quarter and full year 2020 results, which beat guidance for revenue and operating income," said Marty Vanderploeg, Chief Executive Officer.

"We have successfully upgraded all of our customers to our new platform, which is more open and scalable," added Vanderploeg. "With the upgrade now complete, we are prioritizing three areas where we see opportunities for revenue growth: development and deployment of fit-for-purpose solutions, global expansion and our partner ecosystem."

"On the strength of record subscription bookings in the fourth quarter, we are raising guidance for fiscal 2021 revenue," said Stuart Miller, Chief Financial Officer.

Fourth Quarter 2020 Financial Highlights

- **Revenue:** Total revenue for the fourth quarter of 2020 reached \$93.8 million, an increase of 16.9% from \$80.3 million in the fourth quarter of 2019. Subscription and support revenue contributed \$81.0 million, up 22.4% versus the fourth quarter of 2019. Professional services revenue was \$12.9 million, a decrease of 8.9% compared to the same quarter in the prior year.
- **Gross Profit:** GAAP gross profit for the fourth quarter of 2020 was \$70.2 million compared with \$57.2 million in the same quarter of 2019. GAAP gross margin was 74.8% versus 71.3% in the fourth quarter of 2019. Non-GAAP gross profit for the fourth quarter of 2020 was \$71.0 million, an increase of 22.2% compared with the prior year's fourth quarter, and non-GAAP gross margin was 75.6% compared to 72.3% in the fourth quarter of 2019.
- **Results from Operations:** GAAP loss from operations for the fourth quarter of 2020 was \$5.1 million compared with a loss of \$14.4 million in the prior year's fourth quarter. Non-GAAP income from operations was \$5.2 million, compared with non-GAAP loss from operations of \$4.6 million in the fourth quarter of 2019.
- **GAAP Net Loss:** GAAP net loss for the fourth quarter of 2020 was \$8.0 million compared with a net loss of \$16.1 million for the prior year's fourth quarter. GAAP net loss per basic and diluted share was \$0.16 compared with a net loss per basic and diluted share of \$0.34 in the fourth quarter of 2019.
- **Non-GAAP Net Income/Loss:** Non-GAAP net income for the fourth quarter of 2020 was \$4.6 million compared with a net loss of \$4.1 million in the prior year's fourth quarter. Non-GAAP net income per basic and diluted share was \$0.09 and \$0.09, respectively, compared with a net loss per basic and diluted share of \$0.09, in the fourth quarter of 2019.
- **Liquidity:** As of December 31, 2020, Workiva had cash, cash equivalents and marketable securities totaling \$530.0 million, compared with \$488.0 million as of December 31, 2019. Workiva had \$345.0

million aggregate principal amount of 1.125% convertible senior notes due in 2026 and \$18.4 million of other financing obligations outstanding as of December 31, 2020.

Key Metrics and Recent Business Highlights

- **Customers:** Workiva had 3,723 customers as of December 31, 2020, a net increase of 213 customers from December 31, 2019.
- **Revenue Retention Rate:** As of December 31, 2020, Workiva's revenue retention rate (excluding add-on revenue) was 95.0%, and the revenue retention rate including add-on revenue was 109.5%. Add-on revenue includes changes in both solutions and pricing for existing customers.
- **Large Contracts:** As of December 31, 2020, Workiva had 847 customers with an annual contract value (ACV) of more than \$100,000, up 30% from 652 customers at December 31, 2019. Workiva had 419 customers with an ACV of more than \$150,000, up 47% from 285 customers in the fourth quarter of 2019.

Full Year 2020 Financial Highlights

- **Revenue:** Total revenue for the full year 2020 was \$351.6 million, an increase of 18.0% compared with \$297.9 million in the prior year. Subscription and support revenue was \$295.9 million, an increase of 20.4% on a year-over-year basis.
- **Gross Profit:** GAAP gross profit for 2020 was \$261.4 million compared with \$212.9 million in the prior year. GAAP gross margin was 74.4% in 2020. Non-GAAP gross profit was \$264.6 million, an increase of 22.4% compared with the prior year, and non-GAAP gross margin was 75.2%.
- **Results from Operations:** GAAP loss from operations for the full year 2020 was \$37.8 million compared with a loss from operations of \$45.4 million in the prior year. Non-GAAP income from operations was \$8.0 million compared with a loss from operations of \$9.6 million in 2019.
- **GAAP Net Loss:** GAAP net loss for 2020 was \$48.4 million compared with a net loss of \$47.5 million in the prior year. GAAP net loss per basic and diluted share was \$1.00 compared with a loss per basic and diluted share of \$1.03 in 2019.
- **Non-GAAP Net Income/Loss:** Non-GAAP net income for 2020 was \$6.3 million compared with a net loss of \$8.4 million in the prior year. Non-GAAP net income per basic and diluted share was \$0.13 and \$0.12, respectively, compared with a non-GAAP net loss per basic and diluted share of \$0.18 in 2019.
- **Cash Flow:** Net cash provided by operating activities was \$33.2 million in 2020, compared to cash provided by operating activities of \$30.9 million in 2019.

Financial Outlook

As of February 17, 2021, Workiva is providing guidance as follows:

First Quarter 2021 Guidance:

- Total revenue is expected to be in the range of \$100.0 million to \$101.0 million.
- GAAP loss from operations is expected to be in the range of \$8.5 million to \$7.5 million.
- Non-GAAP income from operations is expected to be in the range of \$4.0 million to \$5.0 million.
- GAAP net loss per basic and diluted share is expected to be in the range of \$0.23 to \$0.21.
- Non-GAAP net income per basic share is expected to be in the range of \$0.06 to \$0.08.
- Net income (loss) per basic share is based on 50.2 million weighted-average shares outstanding.

Full Year 2021 Guidance:

- Total revenue is expected to be in the range of \$409.0 million to \$411.0 million.
- GAAP loss from operations is expected to be in the range of \$71.0 million to \$69.0 million.
- Non-GAAP loss from operations is expected to be in the range of \$12.0 million to \$10.0 million.
- GAAP net loss per basic and diluted share is expected to be in the range of \$1.63 to \$1.59.
- Non-GAAP net loss per basic share is expected to be in the range of \$0.30 to \$0.26.
- Net income (loss) per basic share is based on 51.4 million weighted-average shares outstanding.

Workiva has factored into its guidance the expected impacts of COVID-19 on its business and results of operations based on currently available information. Significant variation from these assumptions could cause the company to change its guidance, and it undertakes no obligation to update its assumptions, expectations or guidance. These statements are forward-looking, and actual results may differ materially, as further discussed below under the heading "Safe Harbor Statement."

Quarterly Conference Call

Workiva will host a conference call today at 5:00 p.m. ET to review the Company's financial results for the fourth quarter, in addition to discussing the Company's outlook for the first quarter and full year 2021. To access this call, dial 833-968-1977 (U.S. domestic) or 647-689-6649 (international). The conference ID is 9516867. A live webcast of the conference call will be accessible in the "Investor Relations" section of Workiva's website at www.workiva.com. A replay of this conference call can also be accessed through February 24, 2021, at 800-585-8367 (U.S. domestic) or 416-621-4642 (international). The replay pass code is 9516867. An archived webcast of this conference call will also be available an hour after the completion of the call in the "Investor Relations" section of the Company's website at www.workiva.com.

About Workiva

Workiva Inc. (NYSE: WK) simplifies complex work for thousands of organizations worldwide. Customers trust Workiva's open, intelligent and intuitive platform to connect data, documents and teams. The results: more efficiency, greater transparency and less risk. Learn more at workiva.com.

Read the Workiva blog: www.workiva.com/blog

Follow Workiva on LinkedIn: www.linkedin.com/company/workiva

Like Workiva on Facebook: www.facebook.com/workiva

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

Non-GAAP Financial Measures

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

Workiva believes that the use of non-GAAP gross profit and gross margin, non-GAAP income (loss) from operations, non-GAAP net income (loss) and non-GAAP net income (loss) per share is helpful to its investors. These measures, which are referred to as non-GAAP financial measures, are not prepared in accordance with generally accepted accounting principles in the United States, or GAAP. Non-GAAP gross profit is calculated by excluding stock-based compensation expense attributable to cost of revenues from gross profit. Non-GAAP gross margin is the ratio calculated by dividing non-GAAP gross profit by revenues. Non-GAAP income(loss) from operations is calculated by excluding stock-based compensation expense from loss from operations. Non-GAAP net income (loss) is calculated by excluding stock-based compensation expense, net of tax, and non-cash interest expense related to our convertible senior notes from net loss. Non-GAAP net income (loss) per share is calculated by dividing non-GAAP net income (loss) by the weighted- average shares outstanding as presented in the calculation of GAAP net loss per share. Because of varying available valuation methodologies, subjective assumptions and the variety of equity instruments that can impact a company's non-cash expenses, Workiva

believes that providing non-GAAP financial measures that exclude stock-based compensation expense allows for more meaningful comparisons between its operating results from period to period. Under GAAP, certain convertible debt instruments that may be settled in cash on conversion are required to be accounted for as separate liability and equity components in a manner that reflects our non-convertible debt borrowing rate. This results in the debt component being treated as though it was issued at a discount, with the debt discount being accreted as additional non-cash interest expense over the term of the notes using the effective interest method. As a result, we believe that excluding this non-cash interest expense attributable to the debt discount in calculating our non-GAAP measures is useful because this interest expense does not represent a cash outflow and is not indicative of our ongoing operational performance. Workiva's management uses these non-GAAP financial measures as tools for financial and operational decision making and for evaluating Workiva's own operating results over different periods of time.

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

Safe Harbor Statement

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

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

###

Investor Contact:

Adam Terese
Workiva Inc.
investor@workiva.com
(515) 663-4493

Media Contact:

Kevin McCarthy
Workiva Inc.
press@workiva.com
(515) 663-4471

WORKIVA INC.

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

| | Three months ended December 31, | | Year ended December 31, | |
|--|------------------------------------|--------------------|-------------------------|--------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | (unaudited) | | | |
| Revenue | | | | |
| Subscription and support | \$ 80,970 | \$ 66,148 | \$ 295,877 | \$ 245,765 |
| Professional services | 12,864 | 14,117 | 55,717 | 52,126 |
| Total revenue | 93,834 | 80,265 | 351,594 | 297,891 |
| Cost of revenue | | | | |
| Subscription and support ⁽¹⁾ | 13,239 | 11,946 | 49,503 | 42,881 |
| Professional services ⁽¹⁾ | 10,412 | 11,102 | 40,674 | 42,131 |
| Total cost of revenue | 23,651 | 23,048 | 90,177 | 85,012 |
| Gross profit | 70,183 | 57,217 | 261,417 | 212,879 |
| Operating expenses | | | | |
| Research and development ⁽¹⁾ | 24,386 | 23,216 | 94,844 | 89,921 |
| Sales and marketing ⁽¹⁾ | 37,813 | 33,732 | 144,687 | 120,300 |
| General and administrative ⁽¹⁾ | 13,124 | 14,675 | 59,688 | 48,064 |
| Total operating expenses | 75,323 | 71,623 | 299,219 | 258,285 |
| Loss from operations | (5,140) | (14,406) | (37,802) | (45,406) |
| Interest income | 450 | 2,064 | 3,282 | 4,657 |
| Interest expense | (3,497) | (3,456) | (13,964) | (6,027) |
| Other expense, net | (468) | (305) | (205) | (564) |
| Loss before (benefit) provision for income taxes | (8,655) | (16,103) | (48,689) | (47,340) |
| (Benefit) provision for income taxes | (642) | 38 | (291) | 139 |
| Net loss | \$ (8,013) | \$ (16,141) | \$ (48,398) | \$ (47,479) |
| Net loss per common share: | | | | |
| Basic and diluted | \$ (0.16) | \$ (0.34) | \$ (1.00) | \$ (1.03) |
| Weighted-average common shares outstanding - basic and diluted | 49,222,465 | 47,058,209 | 48,448,166 | 46,302,656 |

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

| | Three months ended December 31, | | Year ended December 31, | |
|----------------------------|------------------------------------|--------|-------------------------|----------|
| | 2020 | 2019 | 2020 | 2019 |
| | (unaudited) | | | |
| Cost of revenue | | | | |
| Subscription and support | \$ 416 | \$ 412 | \$ 1,709 | \$ 1,554 |
| Professional services | 372 | 429 | 1,434 | 1,725 |
| Operating expenses | | | | |
| Research and development | 2,310 | 1,990 | 8,100 | 8,006 |
| Sales and marketing | 2,695 | 2,593 | 11,062 | 8,792 |
| General and administrative | 4,547 | 4,431 | 23,466 | 15,707 |

WORKIVA INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

| | As of December 31, | |
|--|---------------------------|-------------------|
| | 2020 | 2019 |
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 322,831 | \$ 381,742 |
| Marketable securities | 207,207 | 106,214 |
| Accounts receivable, net | 68,922 | 60,228 |
| Deferred costs | 21,923 | 14,108 |
| Other receivables | 3,155 | 2,432 |
| Prepaid expenses and other | 9,047 | 6,508 |
| Total current assets | 633,085 | 571,232 |
| Property and equipment, net | 29,365 | 32,300 |
| Operating lease right-of-use assets | 15,844 | 15,352 |
| Deferred costs, non-current | 23,421 | 14,977 |
| Intangible assets, net | 1,583 | 1,651 |
| Other assets | 3,708 | 3,439 |
| Total assets | <u>\$ 707,006</u> | <u>\$ 638,951</u> |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 2,843 | \$ 7,057 |
| Accrued expenses and other current liabilities | 68,256 | 49,799 |
| Deferred revenue | 208,990 | 173,617 |
| Finance lease obligations | 1,705 | 1,629 |
| Total current liabilities | 281,794 | 232,102 |
| Convertible senior notes, net | 289,490 | 280,601 |
| Deferred revenue, non-current | 35,894 | 32,569 |
| Other long-term liabilities | 1,680 | 1,498 |
| Operating lease liabilities, non-current | 17,209 | 18,564 |
| Finance lease obligations, non-current | 16,662 | 19,415 |
| Total liabilities | 642,729 | 584,749 |
| Stockholders' equity | | |
| Common stock | 49 | 47 |
| Additional paid-in-capital | 478,698 | 420,170 |
| Accumulated deficit | (414,700) | (366,302) |
| Accumulated other comprehensive income | 230 | 287 |
| Total stockholders' equity | 64,277 | 54,202 |
| Total liabilities and stockholders' equity | <u>\$ 707,006</u> | <u>\$ 638,951</u> |

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Three months ended December 31, | | Year ended December 31, | |
|---|------------------------------------|-------------|-------------------------|-------------|
| | 2020 | 2019 | 2020 | 2019 |
| | (unaudited) | | | |
| Cash flows from operating activities | | | | |
| Net loss | \$ (8,013) | \$ (16,141) | \$ (48,398) | \$ (47,479) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 1,101 | 1,149 | 4,296 | 3,844 |
| Stock-based compensation expense | 10,340 | 9,855 | 45,771 | 35,784 |
| Provision for (recovery of) doubtful accounts | 32 | (34) | (159) | (92) |
| Amortization of premiums and discounts on marketable securities, net | 349 | 102 | 668 | 13 |
| Amortization of debt discount and issuance costs | 2,248 | 2,179 | 8,889 | 3,262 |
| Deferred income tax | 68 | 2 | — | (65) |
| Changes in assets and liabilities: | | | | |
| Accounts receivable | (12,833) | (16,364) | (8,028) | 5,166 |
| Deferred costs | (9,572) | (2,300) | (15,953) | (10,268) |
| Operating lease right-of-use asset | 914 | 747 | 3,906 | 2,552 |
| Other receivables | (709) | (780) | (680) | (1,250) |
| Prepaid expenses | 564 | 1,653 | (2,492) | (2,084) |
| Other assets | 385 | 489 | (215) | (1,860) |
| Accounts payable | (851) | 1,993 | (4,106) | 2,153 |
| Deferred revenue | 26,165 | 17,927 | 37,479 | 32,039 |
| Operating lease liability | (1,087) | (809) | (4,525) | (3,035) |
| Accrued expenses and other liabilities | 4,252 | 2,399 | 16,790 | 12,238 |
| Net cash provided by operating activities | 13,353 | 2,067 | 33,243 | 30,918 |
| Cash flows from investing activities | | | | |
| Purchase of property and equipment | (110) | (244) | (1,873) | (3,104) |
| Purchase of marketable securities | (130,657) | (17,099) | (175,926) | (112,565) |
| Sale of marketable securities | — | — | 11,423 | 498 |
| Maturities of marketable securities | 20,585 | 6,450 | 62,922 | 26,840 |
| Purchase of intangible assets | (43) | (22) | (296) | (734) |
| Other | — | — | — | (1,000) |
| Net cash used in investing activities | (110,225) | (10,915) | (103,750) | (90,065) |

WORKIVA INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

| | Three months ended December 31, | | Year ended December 31, | |
|--|------------------------------------|-------------------|-------------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | (unaudited) | | | |
| Cash flows from financing activities | | | | |
| Proceeds from option exercises | 4,936 | 1,659 | 19,189 | 24,152 |
| Taxes paid related to net share settlements of stock-based compensation awards | (11,546) | — | (13,657) | (390) |
| Proceeds from shares issued in connection with employee stock purchase plan | — | — | 7,227 | 4,922 |
| Proceeds from the issuance of convertible senior notes, net of issuance costs | — | — | — | 335,899 |
| Principal payments on finance lease obligations | (429) | (392) | (1,641) | (1,565) |
| Net cash (used in) provided by financing activities | (7,039) | 1,267 | 11,118 | 363,018 |
| Effect of foreign exchange rates on cash | 610 | 199 | 478 | 287 |
| Net (decrease) increase in cash and cash equivalents | (103,301) | (7,382) | (58,911) | 304,158 |
| Cash and cash equivalents at beginning of period | 426,132 | 389,124 | 381,742 | 77,584 |
| Cash and cash equivalents at end of period | <u>\$ 322,831</u> | <u>\$ 381,742</u> | <u>\$ 322,831</u> | <u>\$ 381,742</u> |

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

| | Three months ended December 31, | | Year ended December 31, | |
|---|------------------------------------|------------------|-------------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| Gross profit, subscription and support | \$ 67,731 | \$ 54,202 | \$ 246,374 | \$ 202,884 |
| Add back: Stock-based compensation | 416 | 412 | 1,709 | 1,554 |
| Gross profit, subscription and support, non-GAAP | <u>\$ 68,147</u> | <u>\$ 54,614</u> | <u>\$ 248,083</u> | <u>\$ 204,438</u> |
| As a percentage of subscription and support revenue, non-GAAP | 84.2 % | 82.6 % | 83.8 % | 83.2 % |
| Gross profit, professional services | \$ 2,452 | \$ 3,015 | \$ 15,043 | \$ 9,995 |
| Add back: Stock-based compensation | 372 | 429 | 1,434 | 1,725 |
| Gross profit, professional services, non-GAAP | <u>\$ 2,824</u> | <u>\$ 3,444</u> | <u>\$ 16,477</u> | <u>\$ 11,720</u> |
| As a percentage of professional services revenue, non-GAAP | 22.0 % | 24.4 % | 29.6 % | 22.5 % |
| Gross profit | \$ 70,183 | \$ 57,217 | \$ 261,417 | \$ 212,879 |
| Add back: Stock-based compensation | 788 | 841 | 3,143 | 3,279 |
| Gross profit, non-GAAP | <u>\$ 70,971</u> | <u>\$ 58,058</u> | <u>\$ 264,560</u> | <u>\$ 216,158</u> |
| As percentage of revenue, non-GAAP | 75.6 % | 72.3 % | 75.2 % | 72.6 % |
| Cost of revenue, subscription and support | \$ 13,239 | \$ 11,946 | \$ 49,503 | \$ 42,881 |
| Less: Stock-based compensation | 416 | 412 | 1,709 | 1,554 |
| Cost of revenue, subscription and support, non-GAAP | <u>\$ 12,823</u> | <u>\$ 11,534</u> | <u>\$ 47,794</u> | <u>\$ 41,327</u> |
| As percentage of revenue, non-GAAP | 13.7 % | 14.4 % | 13.6 % | 13.9 % |
| Cost of revenue, professional services | \$ 10,412 | \$ 11,102 | \$ 40,674 | \$ 42,131 |
| Less: Stock-based compensation | 372 | 429 | 1,434 | 1,725 |
| Cost of revenue, professional services, non-GAAP | <u>\$ 10,040</u> | <u>\$ 10,673</u> | <u>\$ 39,240</u> | <u>\$ 40,406</u> |
| As percentage of revenue, non-GAAP | 10.7 % | 13.3 % | 11.2 % | 13.6 % |
| Research and development | \$ 24,386 | \$ 23,216 | \$ 94,844 | \$ 89,921 |
| Less: Stock-based compensation | 2,310 | 1,990 | 8,100 | 8,006 |
| Research and development, non-GAAP | <u>\$ 22,076</u> | <u>\$ 21,226</u> | <u>\$ 86,744</u> | <u>\$ 81,915</u> |
| As percentage of revenue, non-GAAP | 23.5 % | 26.4 % | 24.7 % | 27.5 % |
| Sales and marketing | \$ 37,813 | \$ 33,732 | \$ 144,687 | \$ 120,300 |
| Less: Stock-based compensation | 2,695 | 2,593 | 11,062 | 8,792 |
| Sales and marketing, non-GAAP | <u>\$ 35,118</u> | <u>\$ 31,139</u> | <u>\$ 133,625</u> | <u>\$ 111,508</u> |
| As percentage of revenue, non-GAAP | 37.4 % | 38.8 % | 38.0 % | 37.4 % |

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

| | Three months ended December 31, | | Year ended December 31, | |
|---|------------------------------------|-------------------|-------------------------|-------------------|
| | 2020 | 2019 | 2020 | 2019 |
| General and administrative | \$ 13,124 | \$ 14,675 | \$ 59,688 | \$ 48,064 |
| Less: Stock-based compensation | 4,547 | 4,431 | 23,466 | 15,707 |
| General and administrative, non-GAAP | <u>\$ 8,577</u> | <u>\$ 10,244</u> | <u>\$ 36,222</u> | <u>\$ 32,357</u> |
| As percentage of revenue, non-GAAP | 9.1 % | 12.8 % | 10.3 % | 10.9 % |
| Loss from operations | \$ (5,140) | \$ (14,406) | \$ (37,802) | \$ (45,406) |
| Add back: Stock-based compensation | 10,340 | 9,855 | 45,771 | 35,784 |
| Income (loss) from operations, non-GAAP | <u>\$ 5,200</u> | <u>\$ (4,551)</u> | <u>\$ 7,969</u> | <u>\$ (9,622)</u> |
| As percentage of revenue, non-GAAP | 5.5 % | (5.7)% | 2.3 % | (3.2)% |
| Net loss | \$ (8,013) | \$ (16,141) | \$ (48,398) | \$ (47,479) |
| Add back: Stock-based compensation | 10,340 | 9,855 | 45,771 | 35,784 |
| Add back: Non-cash interest expense related to convertible senior notes | 2,248 | 2,179 | 8,889 | 3,263 |
| Net income (loss), non-GAAP | <u>\$ 4,575</u> | <u>\$ (4,107)</u> | <u>\$ 6,262</u> | <u>\$ (8,432)</u> |
| As percentage of revenue, non-GAAP | 4.9 % | (5.1)% | 1.8 % | (2.8)% |
| Net loss per basic and diluted share: | \$ (0.16) | \$ (0.34) | \$ (1.00) | \$ (1.03) |
| Add back: Stock-based compensation | 0.20 | 0.20 | 0.95 | 0.78 |
| Add back: Non-cash interest expense related to convertible senior notes | 0.05 | 0.05 | 0.18 | 0.07 |
| Net income (loss) per basic share, non-GAAP | <u>\$ 0.09</u> | <u>\$ (0.09)</u> | <u>\$ 0.13</u> | <u>\$ (0.18)</u> |
| Net income (loss) per diluted share, non-GAAP | <u>\$ 0.09</u> | <u>\$ (0.09)</u> | <u>\$ 0.12</u> | <u>\$ (0.18)</u> |
| Weighted-average common shares outstanding - basic, non-GAAP | 49,222,465 | 47,058,209 | 48,448,166 | 46,302,656 |
| Weighted-average common shares outstanding - diluted, non-GAAP | 53,776,276 | 47,058,209 | 52,864,771 | 46,302,656 |

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

| | <u>Three months ending March 31, 2021</u> | | <u>Year ending December 31, 2021</u> | |
|---|---|-------------------|--------------------------------------|----------------------|
| Loss from operations, GAAP range | \$ (8,500) | - \$ (7,500) | \$ (71,000) | - \$ (69,000) |
| Add back: Stock-based compensation | 12,500 | 12,500 | 59,000 | 59,000 |
| Income (loss) from operations, non-GAAP range | <u>\$ 4,000</u> | <u>- \$ 5,000</u> | <u>\$ (12,000)</u> | <u>- \$ (10,000)</u> |
| Net loss per share, GAAP range | \$ (0.23) | - \$ (0.21) | \$ (1.63) | - \$ (1.59) |
| Add back: Stock-based compensation | 0.25 | 0.25 | 1.15 | 1.15 |
| Add back: Non-cash interest expense related to convertible senior notes | 0.04 | 0.04 | 0.18 | 0.18 |
| Net income (loss) per share, basic, non-GAAP range | <u>\$ 0.06</u> | <u>- \$ 0.08</u> | <u>\$ (0.30)</u> | <u>- \$ (0.26)</u> |
| Weighted-average common shares outstanding - basic | 50,200,000 | 50,200,000 | 51,400,000 | 51,400,000 |