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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT**

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

Date of Report (Date of earliest event reported): May 6, 2021

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**Appian Corporation**

(Exact name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**7950 Jones Branch Drive  
McLean, VA**  
(Address of principal executive offices)

**001-38098**  
(Commission File Number)

**54-1956084**  
(I.R.S. Employer  
Identification No.)

**22102**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (703) 442-8844**

**Not Applicable**  
(Former Name or Former Address, if Changed Since Last Report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

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

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

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock	APPN	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

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**Item 2.02 Results of Operations and Financial Condition.**

On May 6, 2021, Appian Corporation (the "Company") issued a press release announcing its financial results for the three months ended March 31, 2021, as well as information regarding a conference call to discuss these financial results and the Company's recent business highlights and financial outlook. The Company's press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information included in Item 2.02 of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
99.1	<a href="#">Press release dated May 6, 2021</a>

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**SIGNATURES**

Pursuant to the requirements 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.

**Appian Corporation**

Date: May 6, 2021

By:

/s/ Mark Lynch

**Mark Lynch**

**Chief Financial Officer**



## Appian Announces First Quarter 2021 Financial Results

Cloud subscription revenue increased 38% year-over-year to \$39.1 million

Subscriptions revenue increased 26% year-over-year to \$63.8 million

McLean, VA – May 6, 2021 – Appian (Nasdaq: APPN) today announced financial results for the first quarter ended March 31, 2021.

“Once again, we exceeded our guidance, grew cloud subscription revenue by 38%, and set a new high mark for gross profit margin. Appian leads in unifying the Low-code Automation market and providing agility to our customers,” said Matt Calkins, CEO & Founder.

### First Quarter 2021 Financial Highlights:

- **Revenue:** Cloud subscription revenue was \$39.1 million for the first quarter of 2021, up 38% compared to the first quarter of 2020. Total subscriptions revenue, which includes sales of our SaaS subscriptions, on-premises term license subscriptions, and maintenance and support, increased 26% year-over-year to \$63.8 million for the first quarter of 2021. Professional services revenue was \$25.1 million for the first quarter of 2021, compared to \$28.4 million for the first quarter of 2020. Total revenue was \$88.9 million for the first quarter of 2021, up 13% compared to the first quarter of 2020. Cloud subscription revenue retention rate was 118% as of March 31, 2021.
- **Operating loss and non-GAAP operating loss:** GAAP operating loss was \$(10.5) million for the first quarter of 2021, compared to \$(8.6) million for the first quarter of 2020. Non-GAAP operating loss was \$(0.9) million for the first quarter of 2021, compared to \$(5.1) million for the first quarter of 2020.
- **Net loss and non-GAAP net loss:** GAAP net loss was \$(13.6) million for the first quarter of 2021, compared to \$(11.7) million for the first quarter of 2020. GAAP net loss per share was \$(0.19) for the first quarter of 2021, based on 70.7 million weighted-average shares outstanding, compared to \$(0.17) for the first quarter of 2020, based on 67.5 million weighted-average shares outstanding. Non-GAAP net loss was \$(4.0) million for the first quarter of 2021, compared to \$(8.2) million for the first quarter of 2020. Non-GAAP net loss per share was \$(0.06) for the first quarter of 2021, based on 70.7 million basic and diluted shares outstanding, compared to the \$(0.12) net loss per share for the first quarter of 2020, based on 67.5 million basic and diluted shares outstanding.
- **Adjusted EBITDA:** Adjusted EBITDA was \$0.4 million for the first quarter of 2021, compared to adjusted EBITDA loss of \$(3.6) million for the first quarter of 2020.
- **Balance sheet and cash flows:** As of March 31, 2021, Appian had total cash, cash equivalents, and investments of \$255.1 million. Net cash used in operating activities was \$(2.8) million for the three months ended March 31, 2021 compared to \$(3.9) million of net cash used in operating activities for the same period in 2020.

A reconciliation of GAAP to non-GAAP financial measures has been provided in the tables following the financial statements in this press release. An explanation of these measures is also included below under the heading “Non-GAAP Financial Measures.”

### First Quarter 2021 Business Highlights:

- Appian announced the appointment of Denise Broady as Chief Marketing Officer.
- Accenture selected Appian as a Core Partner in the INTIENT Network for Life Sciences.
- Appian named a 2021 Gartner Peer Insights customers' choice for enterprise low-code application platforms.
- HP Hood deployed Appian Workforce Safety Solution with Vaccination Insights.
- The University of Texas at Dallas integrated the Appian platform into the core curriculum of its new Intelligent Automation course.

## Financial Outlook:

As of May 6, 2021, guidance for 2021 is as follows:

- **Second Quarter 2021 Guidance:**

- Cloud subscription revenue is expected to be in the range of \$41.0 million and \$41.5 million, representing year-over-year growth of between 39% and 40%.
- Total revenue is expected to be in the range of \$77.0 million and \$78.0 million, representing a year-over-year increase of between 15% and 17%.
- Adjusted EBITDA loss is expected to be in the range of \$(16.0) million and \$(14.0) million.
- Non-GAAP net loss per share is expected to be in the range of \$(0.26) and \$(0.23), assuming weighted average common shares outstanding of 71.0 million.

- **Full Year 2021 Guidance:**

- Cloud subscription revenue is expected to be in the range of \$171.0 million and \$172.0 million, representing year-over-year growth of between 32% and 33%.
- Total revenue is expected to be in the range of \$353.0 million and \$355.0 million, representing a year-over-year increase of between 16% and 17%.
- Adjusted EBITDA loss is expected to be in the range of \$(38.0) million and \$(36.0) million.
- Non-GAAP net loss per share is expected to be in the range of \$(0.68) and \$(0.65), assuming weighted average common shares outstanding of 71.2 million.

## Conference Call Details:

Appian will host a conference call today, May 6, 2021, at 5:00 p.m. ET to discuss Appian's financial results for the first quarter ended March 31, 2021 and business outlook.

The live webcast of the conference call can be accessed on the Investor Relations page of Appian's website at <http://investors.appian.com>. To access the call, please dial (877) 407-0792 in the U.S. or (201) 689-8263 internationally. Following the call, an archived webcast will be available at the same location on the Investor Relations page. A telephone replay will be available for one week at (844) 512-2921 in the U.S. or (412) 317-6671 internationally with recording access code 13717973.

Management will also present at the following investor conference:

- 16th Annual Needham Virtual Technology & Media Conference. The presentation is scheduled for Monday, May 17th at 8:45 a.m. ET.

## About Appian

Appian helps organizations build apps and workflows rapidly, with a low-code automation platform. Combining people, technologies, and data in a single workflow, Appian can help companies maximize their resources and improve business results. Many of the world's largest organizations use Appian applications to improve customer experience, achieve operational excellence, and simplify global risk management and compliance. For more information, visit [www.appian.com](http://www.appian.com).

## Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with GAAP, Appian provides investors with certain non-GAAP financial measures, including non-GAAP operating loss, non-GAAP net loss, non-GAAP net loss per share, non-GAAP weighted average shares outstanding, and adjusted EBITDA. These non-GAAP financial measures exclude the effect of stock-based compensation expense, gains or losses on disposals of assets, and certain litigation-related expenses consisting of legal and other professional fees which are not indicative of our core operating performance and are not part of our normal course of business.

The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, and Appian's non-GAAP measures may be different from non-GAAP measures used by other companies. For more information on these non-GAAP financial measures, please see the reconciliation of these non-GAAP financial measures to their nearest comparable GAAP measures at the end of this press release. A reconciliation of non-GAAP guidance measures to the most comparable GAAP measures is not available on a forward-looking basis without unreasonable efforts due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures.

Appian uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Appian's management believes these non-GAAP financial measures provide meaningful supplemental information regarding Appian's performance by excluding certain expenses that may not be indicative of its recurring core business operating results. Appian believes both management and investors benefit from referring to these non-GAAP financial measures in assessing Appian's performance and when planning, forecasting, and analyzing future periods. These non-GAAP financial measures also facilitate management's internal comparisons to historical performance as well as comparisons to competitors' operating results. Appian believes these non-GAAP financial measures are useful to investors both because (1) they allow for greater transparency with respect to measures used by management in its financial and operational decision-making and (2) they are used by Appian's institutional investors and the analyst community to help them analyze the health of Appian's business.

### **Forward-Looking Statements**

This press release includes forward-looking statements. All statements contained in this press release other than statements of historical facts, including statements regarding Appian's future financial and business performance for the second quarter and full year 2021, the impact of COVID-19 on our business and on the global economy, future investment by Appian in its go-to-market initiatives, increased demand for the Appian platform, market opportunity and plans and objectives for future operations, including Appian's ability to drive continued subscriptions revenue and total revenue growth, are forward-looking statements. The words "anticipate," "believe," "continue," "estimate," "expect," "intend," "may," "will," and similar expressions are intended to identify forward-looking statements. Appian has based these forward-looking statements on its current expectations and projections about future events and financial trends that Appian believes may affect its 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 and uncertainties, including the risks and uncertainties associated with Appian's ability to grow its business and manage its growth, Appian's ability to sustain its revenue growth rate, continued market acceptance of Appian's platform and adoption of low-code solutions to drive digital transformation, the fluctuation of Appian's operating results due to the length and variability of its sales cycle, competition in the markets in which Appian operates, risks and uncertainties associated with the composition and concentration of Appian's customer base and their demand for its platform and satisfaction with the services provided by Appian, the potential fluctuation of Appian's future quarterly results of operations, Appian's ability to shift its revenue towards subscriptions and away from professional services, Appian's ability to operate in compliance with applicable laws and regulations, Appian's strategic relationships with third parties and use of third-party licensed software and its platform's compatibility with third-party applications, the timing of Appian's recognition of subscriptions revenue which may delay the effect of near term changes in sales on its operating results, and the additional risks and uncertainties set forth in the "Risk Factors" section of Appian's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission on February 18, 2021 and other reports that Appian has filed with the Securities and Exchange Commission. Moreover, Appian operates in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for Appian's management to predict all risks, nor can Appian assess the impact of all factors on its 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 Appian may make. In light of these risks, uncertainties, and assumptions, Appian cannot guarantee future results, levels of activity, performance, achievements, or events and circumstances reflected in the forward-looking statements will occur. Appian is under no duty to update any of these forward-looking statements after the date of this press release to conform these statements to actual results or revised expectations, except as required by law.

### **Investor Contact**

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**APPIAN CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
*(in thousands, except share and per share data)*

	As of	
	March 31, 2021	December 31, 2020
	<i>(unaudited)</i>	
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 114,752	\$ 112,462
Short-term investments and marketable securities	118,012	109,826
Accounts receivable, net of allowance of \$1,400 as of each of March 31, 2021 and December 31, 2020	87,424	97,278
Deferred commissions, current	18,749	17,899
Prepaid expenses and other current assets	28,484	27,955
<b>Total current assets</b>	<b>367,421</b>	<b>365,420</b>
Property and equipment, net	34,682	35,404
Long-term investments	22,317	36,120
Goodwill	4,651	4,862
Intangible assets, net of accumulated amortization of \$513 and \$429 as of March 31, 2021 and December 31, 2020, respectively	1,566	1,744
Operating right-of-use assets	30,610	30,659
Deferred commissions, net of current portion	35,991	34,198
Deferred tax assets	482	489
Other assets	2,875	3,625
<b>Total assets</b>	<b>\$ 500,595</b>	<b>\$ 512,521</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 4,194	\$ 2,967
Accrued expenses	5,777	5,821
Accrued compensation and related benefits	20,919	22,981
Deferred revenue, current	107,893	116,256
Operating lease liabilities, current	7,664	6,923
Other current liabilities	509	940
<b>Total current liabilities</b>	<b>146,956</b>	<b>155,888</b>
Operating lease liabilities, net of current portion	50,572	51,194
Deferred revenue, net of current portion	2,698	3,886
Deferred tax liabilities	65	70
Other non-current liabilities	4,744	4,878
<b>Total liabilities</b>	<b>205,035</b>	<b>215,916</b>
<b>Stockholders' equity</b>		
Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 39,321,079 shares issued and outstanding as of March 31, 2021; 500,000,000 shares authorized and 38,971,324 shares issued and outstanding as of December 31, 2020	4	4
Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 31,503,666 shares issued and outstanding as of March 31, 2021; 100,000,000 shares authorized and 31,707,866 shares issued and outstanding as of December 31, 2020	3	3
Additional paid-in capital	479,017	470,498
Accumulated other comprehensive loss	(987)	(5,010)
Accumulated deficit	(182,477)	(168,890)
<b>Total stockholders' equity</b>	<b>295,560</b>	<b>296,605</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 500,595</b>	<b>\$ 512,521</b>

**APIAN CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(unaudited, in thousands, except share and per share data)*

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Revenue</b>		
Subscriptions	\$ 63,766	\$ 50,436
Professional services	25,089	28,428
<b>Total revenue</b>	<b>88,855</b>	<b>78,864</b>
<b>Cost of revenue</b>		
Subscriptions	5,854	5,383
Professional services	17,675	18,736
<b>Total cost of revenue</b>	<b>23,529</b>	<b>24,119</b>
<b>Gross profit</b>	<b>65,326</b>	<b>54,745</b>
<b>Operating expenses</b>		
Sales and marketing	35,984	34,172
Research and development	20,690	16,038
General and administrative	19,142	13,141
<b>Total operating expenses</b>	<b>75,816</b>	<b>63,351</b>
<b>Operating loss</b>	<b>(10,490)</b>	<b>(8,606)</b>
<b>Other expense</b>		
Other expense, net	2,893	3,114
Interest expense	81	143
<b>Total other expense</b>	<b>2,974</b>	<b>3,257</b>
<b>Loss before income taxes</b>	<b>(13,464)</b>	<b>(11,863)</b>
Income tax expense (benefit)	123	(194)
<b>Net loss</b>	<b>\$ (13,587)</b>	<b>\$ (11,669)</b>
Net loss per share:		
Basic and diluted	\$ (0.19)	\$ (0.17)
<b>Weighted average common shares outstanding:</b>		
Basic and diluted	70,730,235	67,528,331



**APPIAN CORPORATION AND SUBSIDIARIES**  
**STOCK BASED COMPENSATION EXPENSE**  
*(unaudited, in thousands)*

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
Cost of revenue		
Subscriptions	\$ 297	\$ 213
Professional services	641	212
Operating expenses		
Sales and marketing	1,108	753
Research and development	1,015	553
General and administrative	4,833	1,745
Total stock-based compensation expense	\$ 7,894	\$ 3,476

**APPIAN CORPORATION AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(unaudited, in thousands)*

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities:</b>		
Net loss	\$ (13,587)	\$ (11,669)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation and amortization	1,278	1,511
Bad debt expense	—	200
Loss on disposal of property and equipment	—	7
Change in fair value of available-for-sale securities	(8)	—
Deferred income taxes	(448)	—
Stock-based compensation	7,894	3,476
<b>Changes in assets and liabilities:</b>		
Accounts receivable	12,651	5,751
Prepaid expenses and other assets	(279)	37
Deferred commissions	(2,642)	525
Accounts payable and accrued expenses	1,159	(1,800)
Accrued compensation and related benefits	(1,955)	(399)
Other current and non-current liabilities	151	(154)
Deferred revenue	(7,192)	(2,503)
Operating lease liabilities	168	1,159
<b>Net cash used in operating activities</b>	<b>(2,810)</b>	<b>(3,859)</b>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	5,625	—
Payments for acquisitions, net of cash acquired	—	(6,138)
Purchases of property and equipment	(468)	(202)
<b>Net cash provided by (used in) investing activities</b>	<b>5,157</b>	<b>(6,340)</b>
<b>Cash flows from financing activities:</b>		
Principal payments on finance leases	—	(357)
Proceeds from exercise of common stock options	625	670
<b>Net cash provided by financing activities</b>	<b>625</b>	<b>313</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>(682)</b>	<b>(706)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,290</b>	<b>(10,592)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>112,462</b>	<b>159,755</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$ 114,752</b>	<b>\$ 149,163</b>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 88	\$ 49
Cash paid for income taxes	\$ 148	\$ 43

**APIAN CORPORATION AND SUBSIDIARIES**  
**RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES**  
*(unaudited, in thousands, except share and per share data)*

	<b>Three Months Ended March 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Reconciliation of non-GAAP operating loss:</b>		
GAAP operating loss	\$ (10,490)	\$ (8,606)
Add back:		
Stock-based compensation expense	7,894	3,476
Litigation expenses <sup>(1)</sup>	1,687	—
Non-GAAP operating loss	<u>\$ (909)</u>	<u>\$ (5,130)</u>
<b>Reconciliation of non-GAAP net loss:</b>		
GAAP net loss	\$ (13,587)	\$ (11,669)
Add back:		
Stock-based compensation expense	7,894	3,476
Litigation expenses <sup>(1)</sup>	1,687	—
Loss on disposal of property and equipment	—	7
Non-GAAP net loss	<u>\$ (4,006)</u>	<u>\$ (8,186)</u>
<b>Non-GAAP earnings per share:</b>		
Non-GAAP net loss	\$ (4,006)	\$ (8,186)
Non-GAAP weighted average shares used to compute net loss per share, basic and diluted	70,730,235	67,528,331
Non-GAAP net loss per share, basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.12)</u>
<b>Reconciliation of non-GAAP net loss per share, basic and diluted:</b>		
GAAP net loss per share, basic and diluted	\$ (0.19)	\$ (0.17)
Add back:		
Non-GAAP adjustments to net loss per share	0.13	0.05
Non-GAAP net loss per share, basic and diluted	<u>\$ (0.06)</u>	<u>\$ (0.12)</u>
<b>Reconciliation of adjusted EBITDA:</b>		
GAAP net loss	\$ (13,587)	\$ (11,669)
Other expense, net	2,893	3,114
Interest expense	81	143
Income tax expense (benefit)	123	(194)
Depreciation and amortization expense	1,278	1,511
Stock-based compensation expense	7,894	3,476
Litigation expenses <sup>(1)</sup>	1,687	—
Adjusted EBITDA	<u>\$ 369</u>	<u>\$ (3,619)</u>

<sup>(1)</sup> Consists of professional fees and other costs incurred in connection with two separate lawsuits, one involving reciprocal false advertising and related claims with a competitor and one involving an effort to enforce our intellectual property. We believe the costs incurred related to these cases are outside of our ordinary course of business; therefore, exclusion of such costs aids to provide supplemental information and comparable financial results from period to period.