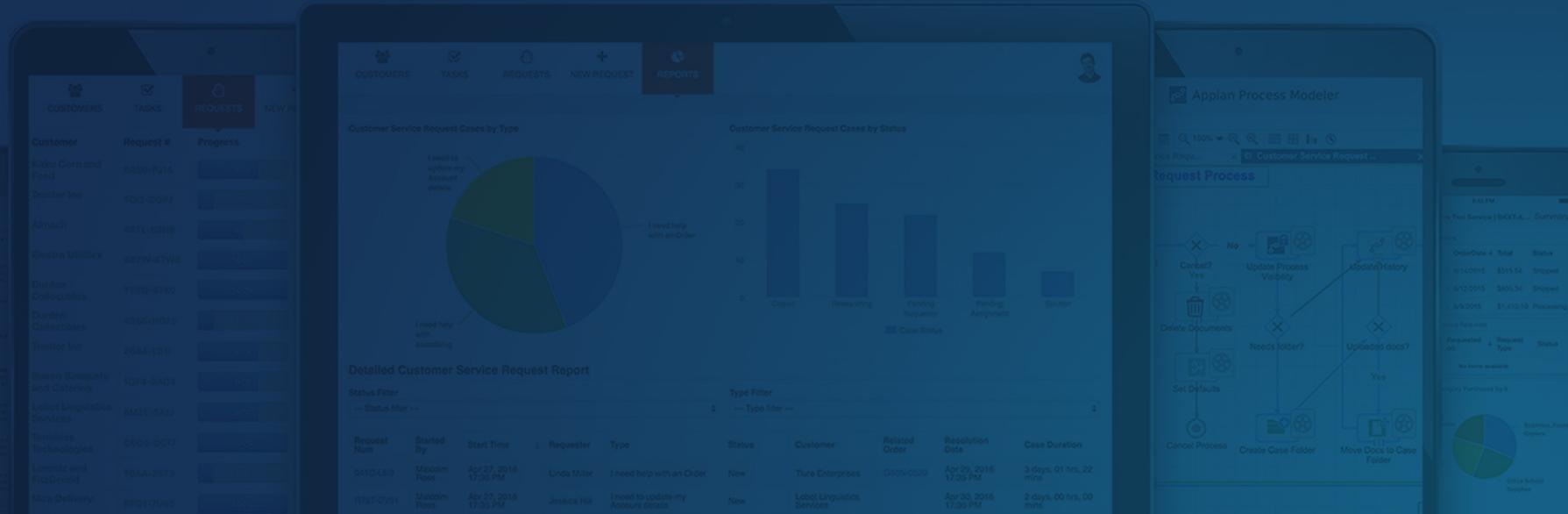


Q3 2018 Earnings Call Presentation

Matt Calkins, Founder & CEO
 Mark Lynch, CFO



Disclaimer

In this presentation, we may make statements related to our business that are forward-looking statements under federal securities laws and are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements related to our financial results, trends and guidance for the fourth quarter of 2018 and full year 2018, the benefits of our platform, industry and market trends, our go-to-market and growth strategy, our market opportunity and ability to expand our leadership position, our ability to maintain and upsell existing customers, and our ability to acquire new customers. The words “anticipate,” “continue,” “estimate,” “expect,” “intend,” “will” and similar expressions are intended to identify forward-looking statements or similar indications of future expectations. These statements reflect our views only as of today and should not be reflected upon as representing our views as of any subsequent date. These statements are subject to a variety of risks and uncertainties that could cause actual results to differ materially from expectations.

For a discussion of the material risks and other important factors that could affect our actual results, please refer to those contained in our 2017 10-K filing and our other periodic filings with SEC. These documents are available in the “Investors” relations section of our website at www.appian.com.

Additionally, non-GAAP financial measures will be shared. Please refer to the tables in our earnings release and the investor relations portion of our website for a reconciliation of these measures to their most directly comparable GAAP financial measure.

Highlights

- **Revenue**

- Subscription Revenue was \$29.4MM in Q3 2018, growth of 42% over Q3 2017
- Total Revenue was \$54.9MM in Q3 2018, growth of 23% over Q3 2017

- **Retention**

- Net Revenue Retention Rate was 117% as of September 30, 2018

- **Gross Margins***

- Subscriptions, Software and Support Margin was 90%
- Professional Services Margin was 31%
- Overall Gross Margin was 64%

- **Accessibility is an important theme in successful deployments and winning deals**

- Appian Guarantee program launched to emphasize accessibility edge

*Non-GAAP - Data does not include any stock-based compensation expense

Subscription Revenue

USD Millions

Y/Y Growth in %



Total Revenue*

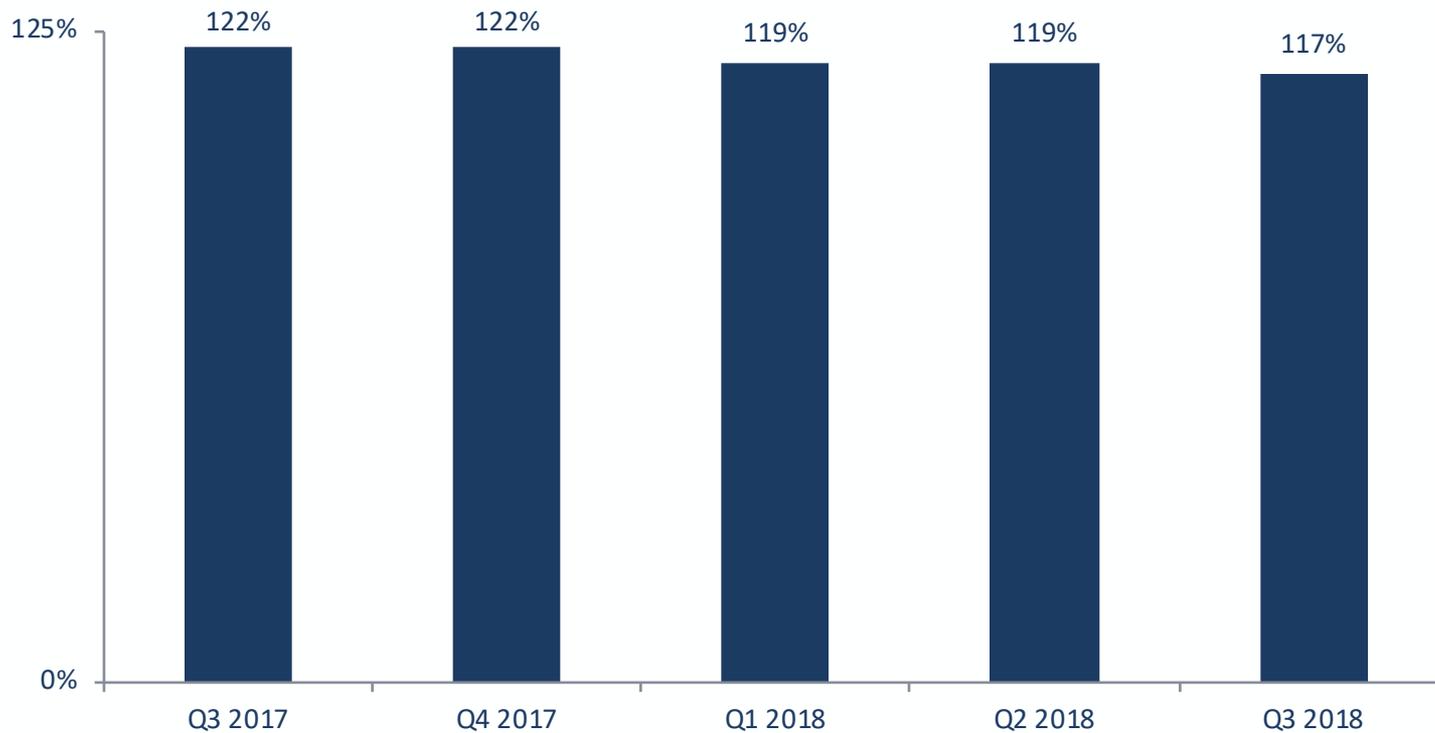
USD Millions



■ Subscription Revenue ■ Perpetual Software & Support ■ Professional Services

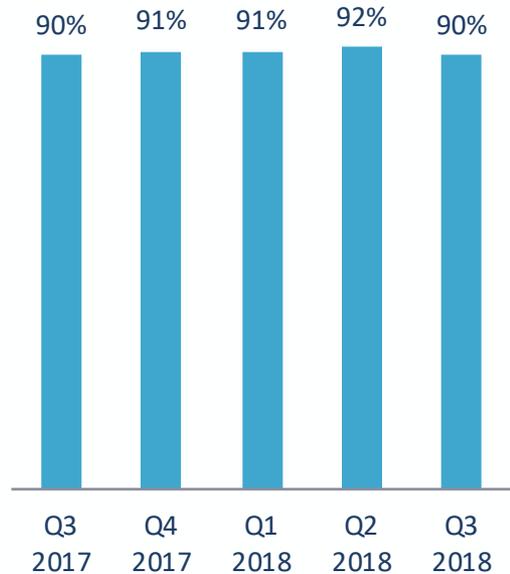
*May not foot due to rounding

Subscription Revenue Retention



Gross Margins*

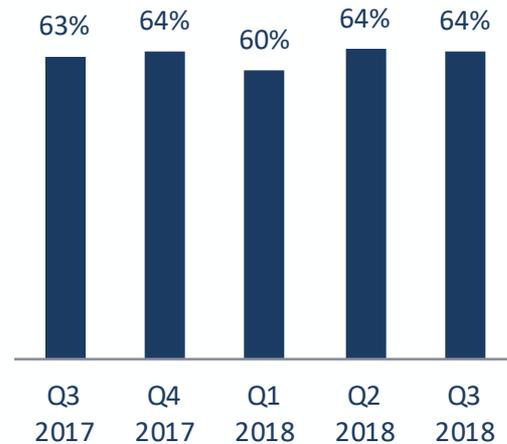
Subscriptions, Software, and Support



Professional Services



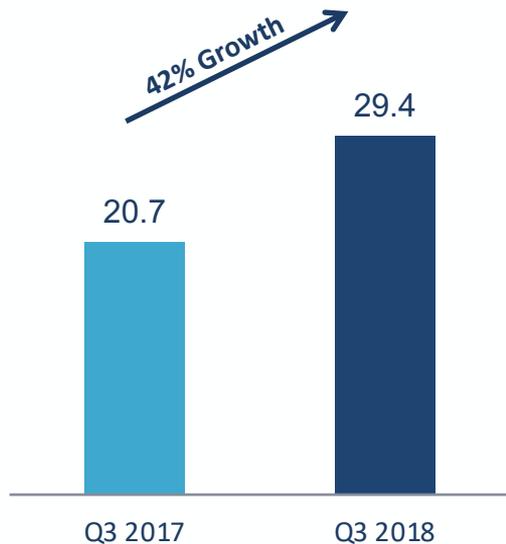
Overall



*Non-GAAP - Data does not include any stock-based compensation expense

Q3 2018 Highlights

Subscription Revenue (\$MM)

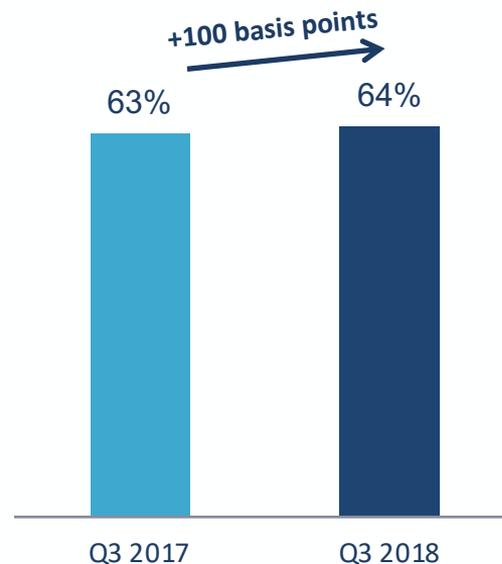


Subscription Revenue Retention*



*As of September 30, 2018

Overall Gross Margins**



**Non-GAAP - Data does not include any stock-based compensation expense

Guidance*

In \$ Millions except for EPS	Q4 2018	FY 2018
Subscription Revenue	31.4 – 31.6	113.3 – 113.5
Subscription Revenue Growth Y/Y	34% – 35%	37%
Total Revenue	55.1 – 56.1	221.6 – 222.6
Total Revenue Growth Y/Y	9% - 11%	25% - 26%
Non-GAAP Loss from Operations	(10.4) – (9.4)	(32.5) – (31.5)
Non-GAAP Loss per Share	(0.17) – (0.15) **	(0.56) – (0.54) ***

*Guidance given on November 1, 2018.

**Based on 63.9 million basic and diluted weighted average common shares outstanding for Q4 2018.

***Based on 62.2 million basic and diluted weighted average common shares outstanding for FY18.

Appendix

Balance Sheet

<i>\$ in thousands</i>	As of September 30, 2018 (unaudited)	As of December 31, 2017
Assets		
Cash and cash equivalents	\$ 107,266	\$ 73,758
Accounts receivable, net of allowance of \$400	62,464	55,315
Other current assets	18,370	16,149
Property and equipment, net	3,291	2,663
Deferred commissions, net of current portion	14,658	12,376
Other assets	815	791
Total assets	\$ 206,864	\$ 161,052
Liabilities and Stockholders' Equity		
Deferred revenue, current	\$ 83,049	\$ 70,165
Other current liabilities	27,644	24,950
Deferred revenue, net of current portion	13,758	18,922
Other long-term liabilities	597	1,491
Total liabilities	125,048	115,528
Stockholders' equity		
Common stock	6	6
Additional paid-in capital	212,971	141,268
Accumulated other comprehensive income	576	439
Accumulated deficit	(131,737)	(96,189)
Total stockholders' equity	81,816	45,524
Total liabilities and stockholders' equity	\$ 206,864	\$ 161,052

Income Statement

\$ in thousands, except for shares

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
	(unaudited)		(unaudited)	
Revenue:				
Subscriptions, software and support	\$ 30,905	\$ 22,660	\$ 90,904	\$ 66,116
Professional services	24,043	21,988	75,623	60,059
Total revenue	54,948	44,648	166,527	126,175
Cost of revenue:				
Subscriptions, software and support	3,261	2,341	8,713	6,891
Professional services	16,831	14,272	54,002	39,049
Total cost of revenue	20,092	16,613	62,715	45,940
Gross profit	34,856	28,035	103,812	80,235
Operating expenses:				
Sales and marketing	25,467	19,725	75,815	59,503
Research and development	11,737	8,596	32,392	25,867
General and administrative	12,537	6,237	29,022	19,721
Total operating expenses	49,741	34,558	137,229	105,091
Operating loss	(14,885)	(6,523)	(33,417)	(24,856)
Other (expense) income:				
Other (expense), net	110	(425)	1,785	(1,658)
Interest expense (income)	67	(2)	134	451
Total other expense (income)	177	(427)	1,919	(1,207)
Net loss before income taxes	(15,062)	(6,096)	(35,336)	(23,649)
Income tax (benefit) expense	(34)	188	212	489
Net loss	(15,028)	(6,284)	(35,548)	(24,138)
Accretion of dividends on convertible preferred stock	—	—	—	357
Net loss attributable to common stockholders	\$ (15,028)	\$ (6,284)	\$ (35,548)	\$ (24,495)
Net loss per share attributable to common stockholders:				
Basic and diluted	\$ (0.24)	\$ (0.10)	\$ (0.58)	\$ (0.53)
Weighted average common shares outstanding:				
Basic and diluted	62,480,927	60,204,596	61,583,610	45,855,044

Appian Corporation

Reconciliation of Non-GAAP Measures (unaudited)

The following table presents a reconciliation of GAAP net loss to non-GAAP net loss for each of the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
<i>\$ in thousands, except for shares</i>				
Reconciliation of non-GAAP net loss:				
GAAP net loss	\$ (15,028)	\$ (6,284)	\$ (35,548)	\$ (24,138)
Add back:				
Stock-based compensation expense	6,801	1,574	11,247	10,919
Change in fair value of warrant liability	—	—	—	341
Loss on extinguishment of debt	—	—	—	384
Gain on disposal of asset	(4)	—	(4)	—
Non-GAAP net loss	<u>\$ (8,231)</u>	<u>\$ (4,710)</u>	<u>\$ (24,305)</u>	<u>\$ (12,494)</u>
GAAP net loss per share attributable to common stockholders, basic and diluted	\$ (0.24)	\$ (0.10)	\$ (0.58)	\$ (0.53)
Non-GAAP weighted average shares used to compute net loss per share attributable to common stockholders, basic and diluted	62,480,927	60,204,596	61,583,610	55,901,333
Non-GAAP net loss per share, basic and diluted	<u>\$ (0.13)</u>	<u>\$ (0.08)</u>	<u>\$ (0.39)</u>	<u>\$ (0.22)</u>

The following table presents a reconciliation of GAAP operating loss to non-GAAP operating loss for each of the periods indicated (unaudited):

\$ in thousands, except for shares

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Reconciliation of non-GAAP operating loss:				
GAAP operating loss	\$ (14,885)	\$ (6,523)	\$ (33,417)	\$ (24,856)
Add back:				
Stock-based compensation expense	6,801	1,574	11,247	10,919
Non-GAAP operating loss	\$ (8,084)	\$ (4,949)	\$ (22,170)	\$ (13,937)

The following table presents a detail of the stock-based compensation expense for each of the periods indicated (unaudited):

\$ in thousands

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Cost of revenue:				
Subscriptions, software and support	\$ 138	\$ 80	\$ 355	\$ 484
Professional services	222	142	645	1,126
Operating Expenses				
Sales and marketing	736	359	1,781	2,782
Research and development	373	256	1,106	2,458
General and administrative	5,332	737	7,360	4,069
Total stock-based compensation expense	\$ 6,801	\$ 1,574	\$ 11,247	\$ 10,919

Appian

The Digital Transformation Platform™