UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 31, 2019

Appian Corporation (Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-38098

(Commission File Number)

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

> 22102 (Zip Code)

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

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

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):

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

Title of each class Class A Common Stock **Trading symbol APPN**

Name of each exchange on which registered

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 x

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. o

Item 2.02 Results of Operations and Financial Condition.

On October 31, 2019, Appian Corporation (the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2019, 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.

Exhibit Number	Description
99.1	Press release dated October 31, 2019

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 Corpo	ration	
Date: October 31, 2019	By:	/s/ Mark Lynch	
		Mark Lynch	
		Chief Financial Officer	



Appian Announces Third Quarter 2019 Financial Results

Subscription revenue increased 38% year-over-year to \$40.4 million Total revenue increased 26% year-over-year to \$69.4 million

Tysons, VA - October 31, 2019 - Appian (NASDAQ: APPN) today announced financial results for the third quarter ended September 30, 2019.

"We exceeded our guidance once again this quarter. Our ease-of-use and speed continue to differentiate us in sales cycles, allowing us to sell into new organizations and expand within our existing customers," said Matt Calkins CEO & Founder.

Third Quarter 2019 Financial Highlights:

- **Revenue**: Subscription revenue was \$40.4 million for the third quarter of 2019, up 38% compared to the third quarter of 2018. Total subscriptions, software and support revenue was \$41.6 million for the third quarter of 2019, an increase of 35% year-over-year. Professional services revenue was \$27.8 million for the third quarter of 2019, an increase of 16% year-over-year. Total revenue was \$69.4 million for the third quarter of 2019, up 26% compared to the third quarter of 2018. Subscription revenue retention rate was 119% as of September 30, 2019.
- **Operating loss and non-GAAP operating loss:** GAAP operating loss was \$(10.3) million for the third quarter of 2019, compared to \$(14.9) million for the third quarter of 2018. Non-GAAP operating loss was \$(7.2) million for the third quarter of 2019, compared to \$(8.1) million for the third quarter of 2018.
- **Net loss and non-GAAP net loss:** GAAP net loss was \$(12.4) million for the third quarter of 2019, compared to \$(15.0) million for the third quarter of 2018. GAAP net loss per share attributable to common stockholders was \$(0.19) for the third quarter of 2019 based on 65.5 million weighted average shares outstanding, compared to \$(0.24) for the third quarter of 2018 based on 62.5 million weighted average shares outstanding. Non-GAAP net loss was \$(9.3) million for the third quarter of 2019, compared to \$(8.2) million for the third quarter of 2018. Non-GAAP net loss per share was \$(0.14) for the third quarter of 2019, based on 65.5 million basic and diluted weighted average shares outstanding, compared to \$(0.13) for the third quarter of 2018, based on 62.5 million basic and diluted weighted average shares outstanding.
- **Balance sheet and cash flows:** As of September 30, 2019, Appian had cash and cash equivalents of \$165.6 million, compared with \$81.1 million at June 30, 2019, primarily reflecting the completion of the Company's underwritten public offering of 1,825,000 shares of Appian Class A common stock in September 2019. Net cash used in operating activities was \$(14.9) million for the three months ended September 30, 2019 compared with \$(0.3) million of net cash used in operating activities for the same period in 2018.

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."

Third Quarter 2019 Business Highlights:

- Appian named leader in "Gartner's 2019 Magic Quadrant for Enterprise Low-Code Application Platforms" report.
- Anglian Water selects Appian Low-Code Platform to digitize and automate new capital projects.
- Charities Trust selects Appian for new Charity Portal to distribute over £100 million in donations per annum.
- Public offering of 2,329,000 shares of Class A common stock priced. 1,825,000 shares were offered by Appian and 504,000 shares were offered by existing stockholders of Appian.

Financial Outlook:

As of October 31, 2019, guidance for the fourth quarter 2019 and full year 2019 is as follows:

• Fourth Quarter 2019 Guidance:

- Subscription revenue is expected to be in the range of \$42.0 million and \$42.5 million, representing year-over-year growth of between 24% and 26%.
- Total revenue is expected to be in the range of \$69.1 million and \$70.1 million, representing year-over-year growth of between 15% and 16%.
- Non-GAAP operating loss is expected to be in the range of \$(10.0) million and \$(9.5) million.
- Non-GAAP net loss per share is expected to be in the range of \$(0.15) and \$(0.14). This assumes 67.3 million basic and diluted weighted average common shares outstanding.

• Full Year 2019 Guidance:

- Subscription revenue is now expected to be in the range of \$154.0 million and \$154.5 million, representing year-over-year growth of between 33% and 34%.
- Total revenue is now expected to be in the range of \$265.0 million and \$266.0 million, representing year-over-year growth of 17%.
- Non-GAAP operating loss is expected to be in the range of \$(35.0) million and \$(33.0) million.
- Non-GAAP net loss per share is now expected to be in the range of \$(0.57) and \$(0.54). This assumes 65.5 million basic and diluted weighted average common shares outstanding.

Conference Call Details:

Appian will host a conference call today, October 31, 2019, at 5:00 p.m. ET to discuss the Company's financial results for the third quarter ended September 30, 2019 and business outlook.

The live webcast of the conference call can be accessed on the Investor Relations page of the Company'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 13695306.

About Appian

Appian (NASDAQ: APPN) provides a low-code development platform that accelerates the creation of high-impact business applications. 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.

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 and non-GAAP basic and diluted weighted average common shares outstanding. 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.

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 that 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 that 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 fourth quarter and full-year 2019, 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 subscription 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 forwardlooking 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, and the timing of Appian's recognition of subscription 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, 2018 filed with the Securities and Exchange Commission on February 21, 2019 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

Will Maina ICR for Appian 703-442-1091 investors@appian.com

Media Contact Nicole Greggs Director, Media Relations 703-260-7868 nicole.greggs@appian.com

APPIAN CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share data) (unaudited)

Name		Se	As of ptember 30, 2019	Dece	As of mber 31, 2018
Current assets 5 155.50 5 (18,50) Cake and cash equivalents 5,155.50 7,732 Accounts receivable, net of allowance of \$600 as of September 30, 2019 and December 31, 2018 7,732 7,732 Deferred commissions, current 18,46 14,042 Prepaid expenses and other current assets 20,022 7,232 Poperty and equipment, net 40,023 7,532 Deferred commissions, net of current portion 13,000 15,000 Deferred tax assets 5 6 6 Other assets 5 16 6 Other assets 5 6 6 6 Total asset 5 16 7 7 6 6<		(1	unaudited)		
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Labilities and Stockholders' Equity Current liabilities Accounts payable 5,316 9,249 Accoude expenses 7,916 7,464 Accrued compensation and related benefits 110,497 95,233 Deferred revenue, current 100,497 95,233 Capital leases, current 1,269 2,607 Other current liabilities 2,067 2,369 Deferred tax liabilities 13,557 16,145 Deferred revenue, net of current portion 13,557 16,145 Deferred revenue, net of current portion 21,280 15,400 Capital leases, net of current portion 21,280 15,400 Capital leases, net of current portion 21,280 15,400 Capital leases, net of current portion 16,419 15,908 Stockholders' equity 3 3 3 Class A common stock—par value \$0,0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32	Other assets		561		601
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Other current liabilities 2,067 2,369 Total current liabilities 126,831 128,401 Deferred tax liabilities 13,557 16,145 Deferred revenue, net of current portion 13,557 16,145 Deferred rent, net of current portion 2,763 Capital leases, net of current portion 2,763 Total liabilities 166,419 15,908 Stockholders' equity Class A common stock—par value \$0,0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000	Deferred revenue, current		100,497		95,523
Total current liabilities 128,683 128,601 Deferred tax liabilities 136 42 Deferred revenue, net of current portion 13,557 16,145 Deferred rent, net of current portion 21,280 15,400 Capital leases, net of current portion 2,763 — Total liabilities 166,419 159,988 Stockholders' equity **** Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 3 3 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 3 3 Additional paid-in capital 336,694 218,284 Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity 152,808 73,192	Capital leases, current		1,429		_
Deferred tax liabilities 136 42 Deferred revenue, net of current portion 13,557 16,145 Deferred revenue, net of current portion 21,280 15,400 Capital leases, net of current portion 2,763 — Total liabilities 166,19 159,988 Stockholders' equity Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of December 31, 2018 3 3 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 3 3 Additional paid-in capital 336,694 218,284 Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity 73,192	Other current liabilities		2,067		2,369
Deferred revenue, net of current portion 13,557 16,145 Deferred rent, net of current portion 21,280 15,400 Capital leases, net of current portion 2,763 — Total liabilities 166,419 159,988 Stockholders' equity Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 3 3 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,204,363 shares issued and outstanding as of December 31, 2018 3 3 Additional paid-in capital 336,694 218,284 Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity 152,808 73,192	Total current liabilities		128,683		128,401
Deferred rent, net of current portion 21,280 15,400 Capital leases, net of current portion 2,763 —— Total liabilities 166,419 159,888 Stockholders' equity Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 3 3 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 3 3 Additional paid-in capital 336,694 218,284 Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) 73,192 Total stockholders' equity 152,808 73,192	Deferred tax liabilities		136		42
Capital leases, net of current portion 2,763 — Total liabilities 166,419 159,888 Stockholders' equity Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 3 3 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of December 31, 2018 3 3 Additional paid-in capital 336,694 218,284 Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity 152,808 73,192	Deferred revenue, net of current portion		13,557		16,145
Total liabilities166,419159,888Stockholders' equityClass A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 201833Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 201833Additional paid-in capital336,694218,284Accumulated other comprehensive income1,106542Accumulated deficit(184,998)(145,640)Total stockholders' equity152,80873,192	Deferred rent, net of current portion		21,280		15,400
Stockholders' equity Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 Additional paid-in capital Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity	Capital leases, net of current portion		2,763		_
Class A common stock—par value \$0.0001; 500,000,000 shares authorized and 34,204,362 shares issued and outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 Additional paid-in capital Accumulated other comprehensive income 1,106 542 Accumulated deficit 152,808 73,192	Total liabilities		166,419		159,988
outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding as of December 31, 2018 Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 Additional paid-in capital Accumulated other comprehensive income 1,106 542 Accumulated deficit 152,808 73,192	Stockholders' equity				
Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding as of December 31, 2018 Additional paid-in capital Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity	outstanding as of September 30, 2019; 500,000,000 shares authorized and 29,626,054 shares issued and outstanding		3		3
Additional paid-in capital 336,694 218,284 Accumulated other comprehensive income 1,106 542 Accumulated deficit (184,998) (145,640) Total stockholders' equity 152,808 73,192	Class B common stock—par value \$0.0001; 100,000,000 shares authorized and 32,942,636 shares issued and outstanding as of September 30, 2019; 100,000,000 shares authorized and 34,290,383 shares issued and outstanding				
Accumulated other comprehensive income1,106542Accumulated deficit(184,998)(145,640)Total stockholders' equity152,80873,192					
Accumulated deficit (184,998) (145,640) Total stockholders' equity 152,808 73,192					
Total stockholders' equity 152,808 73,192			•		
	Total liabilities and stockholders' equity	\$	319,227	\$	233,180

APPIAN CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except share and per share data)
(unaudited)

		Three Months Ended September 30,			 Nine Months Ended September 30,			
		2019		2018	2019		2018	
Revenue:								
Subscriptions, software and support	\$	41,599	\$	30,905	\$ 115,767	\$	90,904	
Professional services		27,788		24,043	80,110		75,623	
Total revenue		69,387		54,948	195,877		166,527	
Cost of revenue:								
Subscriptions, software and support		4,484		3,261	12,105		8,713	
Professional services		19,467		16,831	58,963		54,002	
Total cost of revenue		23,951		20,092	71,068		62,715	
Gross profit		45,436		34,856	124,809		103,812	
Operating expenses:								
Sales and marketing		28,858		25,467	89,951		75,815	
Research and development		15,697		11,737	42,418		32,392	
General and administrative		11,191		12,537	29,468		29,022	
Total operating expenses		55,746		49,741	161,837		137,229	
Operating loss		(10,310)		(14,885)	(37,028)		(33,417)	
Other expense:								
Other expense, net		2,016		110	1,700		1,785	
Interest expense		96		67	236		134	
Total other expense		2,112		177	1,936		1,919	
Loss before income taxes		(12,422)		(15,062)	(38,964)		(35,336)	
Income tax expense (benefit)		5		(34)	394		212	
Net loss		(12,427)		(15,028)	(39,358)		(35,548)	
Net loss per share attributable to common stockholders:	=				 			
Basic and diluted	\$	(0.19)	\$	(0.24)	\$ (0.61)	\$	(0.58)	
Weighted average common shares outstanding:								
Basic and diluted		65,508,113		62,480,927	64,860,342		61,583,610	

APPIAN CORPORATION AND SUBSIDIARIES STOCK BASED COMPENSATION EXPENSE

(in thousands) (unaudited)

	Th	Three Months Ended September 30,				Nine Months En	ded Sep	ed September 30,		
		2019		2018		2019		2018		
Cost of revenue										
Subscriptions, software and support	\$	147	\$	138	\$	462	\$	355		
Professional services		243		222		2,461		645		
Operating expenses										
Sales and marketing		776		736		3,971		1,781		
Research and development		433		373		2,983		1,106		
General and administrative		1,542		5,332		3,178		7,360		
Total stock-based compensation expense	\$	3,141	\$	6,801	\$	13,055	\$	11,247		

APPIAN CORPORATION AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands) (unaudited)

(undudited)	Nine Months Ende			
	 2019	aca sep	2018	
Cash flows from operating activities:				
Net loss	\$ (39,358)	\$	(35,548	
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation and amortization	3,273		1,452	
Loss (gain) on disposal of equipment	146		(4	
Bad debt expense	97		2	
Deferred income taxes	(191)		69	
Stock-based compensation	13,055		11,247	
Changes in assets and liabilities:				
Accounts receivable	9,051		(6,226	
Prepaid expenses and other assets	11,351		76	
Deferred commissions	(2,428)		(5,531	
Accounts payable and accrued expenses	(3,910)		1,25	
Accrued compensation and related benefits	(2,159)		1,81	
Other current liabilities	(251)		37	
Deferred revenue	2,646		7,86	
Deferred rent, non-current	5,718		(79	
Net cash used in operating activities	(2,960)		(23,95	
Cash flows from investing activities:				
Purchases of property and equipment	(31,430)		(2,18	
Proceeds from sale of equipment	_			
Net cash used in investing activities	(31,430)		(2,18	
Cash flows from financing activities:				
Proceeds from public offering, net of underwriting discounts	101,653		58,25	
Payment of costs related to public offerings	(12)		(35)	
Proceeds from exercise of common stock options	4,052		2,62	
Principal payments on capital lease obligations	(299)		_	
Net cash provided by financing activities	105,394		60,53	
Effect of foreign exchange rate changes on cash and cash equivalents	(380)		(888)	
Net increase in cash and cash equivalents	70,624		33,50	
Cash and cash equivalents, beginning of period	94,930		73,75	
Cash and cash equivalents, end of period	\$ 165,554	\$	107,26	
Supplemental disclosure of cash flow information:				
Cash paid for interest	\$ 250	\$	3	
Cash paid for income taxes	\$ 236	\$	17	
Supplemental disclosure of non-cash financing information:				
Capital lease obligations to acquire new office furniture and fixtures and computer hardware	\$ 4,491	\$	_	
Offering costs included in accounts payable and accrued expenses	\$ 338	\$	7	

APPIAN CORPORATION AND SUBSIDIARIES RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

(in thousands, except share and per share data) (unaudited)

	Three Months Ended September 30,				Nine Months Ended September 30,			
		2019		2018	2019		2018	
Reconciliation of non-GAAP operating loss:								
GAAP operating loss	\$	(10,310)	\$	(14,885)	\$ (37,028)	\$	(33,417)	
Add back:								
Stock-based compensation expense		3,141		6,801	13,055		11,247	
Non-GAAP operating loss	\$	(7,169)	\$	(8,084)	\$ (23,973)	\$	(22,170)	
Reconciliation of non-GAAP net loss:								
GAAP net loss	\$	(12,427)	\$	(15,028)	\$ (39,358)	\$	(35,548)	
Add back:								
Stock-based compensation expense		3,141		6,801	13,055		11,247	
Loss (gain) on disposal of asset		1		(4)	146		(4)	
Non-GAAP net loss	\$	(9,285)	\$	(8,231)	\$ (26,157)	\$	(24,305)	
Non-GAAP earnings per share:								
Non-GAAP net loss	\$	(9,285)	\$	(8,231)	\$ (26,157)	\$	(24,305)	
Non-GAAP weighted average shares used to compute net loss per share attributable to common stockholders, basic and diluted		65,508,113		62,480,927	64,860,342		61,583,610	
Non-GAAP net loss per share, basic and diluted	\$	(0.14)	\$	(0.13)	\$ (0.40)	\$	(0.39)	
Reconciliation of non-GAAP net loss per share, basic and diluted:								
GAAP net loss per share attributable to common stockholders, basic and diluted	\$	(0.19)	\$	(0.24)	\$ (0.61)	\$	(0.58)	
Add back:								
Non-GAAP adjustments to net loss per share		0.05		0.11	0.21		0.19	
Non-GAAP net loss per share, basic and diluted	\$	(0.14)	\$	(0.13)	\$ (0.40)	\$	(0.39)	
				•				