

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 31, 2020

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

001-38698
(Commission File No.)

ANAPLAN, INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)
50 Hawthorne Street
San Francisco, California
(Address of principal executive offices)

27-0897861
(I.R.S. Employer Identification No.)

94105
(Zip Code)

(415) 742-8199

(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	PLAN	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

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

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (Exchange Act) during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Small reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant as of July 31, 2019, based on the closing price of the shares of common stock on the New York Stock Exchange on July 31, 2019, was \$5.68 billion. Shares of common stock held by each executive officer, director, and their affiliated holders have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of March 23, 2020, the number of shares of the Registrant's common stock, \$0.0001 par value per share, outstanding was 136.8 million.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the Registrant's 2020 Annual Meeting of Stockholders are incorporated by reference in Part III of this Annual Report on Form 10-K to the extent stated herein. The Proxy Statement will be filed with the Securities and Exchange Commission pursuant to Regulation 14A within 120 days of the Registrant's fiscal year ended January 31, 2020.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K includes forward-looking statements. All statements other than statements of historical facts contained in this report are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "design," "intend," "expect," "could," "plan," "potential," "predict," "seek," "should," "would," or the negative version of these words and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short- and long-term business operations and objectives, and financial needs. The forward-looking statements are contained principally in "Business," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors." Forward-looking statements contained in this report include, but are not limited to, statements about:

- our future performance, including our revenue, costs of revenue, gross profit or gross margin, operating expenses, deferred revenue and billings;
- our ability to sell our platform to new customers;
- our ability to retain, and expand use of our platform by, our existing customers;
- our ability to train our customers and partners to effectively utilize our platform;
- the sufficiency of our cash and cash equivalents to meet our projected operating requirements;
- our ability to maintain the security of our platform;
- our ability to maintain the availability of our platform;
- our ability to successfully expand in our existing markets and into new markets;
- our ability to effectively manage our growth and future expenses;
- our ability to broaden and deepen our partner ecosystem;
- our estimated total addressable market;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to enhance our platform and satisfy the cloud infrastructure priorities of our customers;
- our ability to comply with laws, regulations and accounting rules applying to our business, including privacy regulations such as the General Data Protection Regulation;
- anticipated income tax rates, tax estimates and tax standards;
- the attraction and retention of qualified employees and key personnel and the rate of expansion and productivity of our sales force;
- our anticipated investments in sales and marketing and research and development;
- our ability to realize anticipated benefits from strategic transactions in a timely manner;
- our ability to manage changes in foreign currency exchange rates and effectively hedge our foreign currency exposure;
- our ability to successfully defend litigation brought against us; and
- potential impact of the global pandemic related to COVID-19, or coronavirus, on our business operations and financial results.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this report.

These forward-looking statements are subject to a number of risks, uncertainties, and assumptions, including those described in "Risk Factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties, and assumptions, the forward-looking events and circumstances discussed in this report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance, or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, except as required by law, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. The forward-looking statements made in this report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this report to reflect events or circumstances after the date of this report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this report and the documents that we reference in this report and have filed with the Securities and Exchange Commission as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

PART I

ITEM 1. BUSINESS

Overview

Anaplan is pioneering the category of Connected Planning. Our platform enables organizations to make better decisions and to plan and execute their ongoing digital transformation to compete in today's digital economy. We believe Connected Planning is an essential cloud category. It fundamentally transforms planning by connecting all of the people, data, and plans needed to accelerate business value and enable real-time planning and decision-making in rapidly changing business environments. Connected Planning accelerates business value by transforming the way organizations make decisions and placing the power of planning in the hands of every individual at every level within and between organizations. We continue to see the growth in the strategic value of the Connected Planning platform as a foundation for companies to drive digital transformation.

Connected Planning represents a fundamental shift from the legacy approach to planning, which is typically confined to the finance department and uses a patchwork of outdated and disconnected tools and manual processes that are often overly complex, slow, inefficient, and static. Connected Planning enables dynamic, collaborative, and intelligent planning across all areas of an organization, including finance, sales, and supply chain, and other corporate functions such as marketing, human resources, and operations. It enables organizations to manage their people, products and customers with agility.

Our cloud platform offers complex scenario modeling, automated data analysis, machine learning, and predictive and advanced analytical capabilities to help all organizations drive growth and business outcomes, with a focus on large global enterprises. We empower customers to quickly and easily build models to address their most complex business challenges. Our powerful modeling engine, which is based on our proprietary Hyperblock® technology, enables thousands of concurrent users to access a centralized single source of information for planning, ensuring the consistency, quality, and integrity of the data. Our innovative in-memory architecture allows customers to rapidly run alternative scenarios to understand the impact of changes in business assumptions. This functionality allows users to view and assess the impact of assumptions on plans and key performance indicators in real time. Our platform also leverages predictive analytics to produce actionable intelligence that gives our customers a competitive advantage. We continue to invest in artificial intelligence, including machine learning, to further enhance the predictive capabilities of our platform. An example is our recent investment in enhancing the predictive capabilities of our platform for sales and marketing, where we continue building our expertise in data science. We also continue to enhance the user experience on our platform and recently introduced a mobile app to enable planning on the go.

Our proprietary Hyperblock® technology is at the core of our platform and was purpose-built for Connected Planning. This powerful in-memory modeling engine delivers calculations on a massive amount of data at very high speed in real time. Our platform unites traditionally distinct or disconnected database structures, including relational, columnar, and online analytical processing, or OLAP, with in-memory data storage and calculation. Our flexible data structure enables users to easily build and modify complex multi-dimensional models in a single modeling environment, scaling to thousands of concurrent users. Together, these technologies enable flexible modeling, widespread collaboration, and rapid calculation and iteration. As a result, our platform provides insights that were previously unavailable.

We put the success of our customers at the center of our culture, strategy, and investments. As thought leaders in Connected Planning, we have developed deep domain expertise and best practices that are crucial in addressing our customers' planning challenges. By aligning our thought leadership, worldwide development and delivery capabilities, and local sales and service resources, our Customer First strategy drives exceptional value throughout our customers' Connected Planning journeys. We view our Customer First strategy as core to capturing our Connected Planning vision and driving continued expansion in the use of our platform.

We see the value in developing the Connected Planning ecosystem with our continued investment in the Anaplan Academy. The Anaplan Academy is focused on creating and delivering more learning courses and enabling more Master Anaplanner certifications. The learning courses and additional experienced users will help our customers and partners more effectively unlock the potential of our Connected Planning platform. We continue to add expertise and leadership to our fast-growing community of Anaplanners.

We focus our selling efforts on executives of large enterprises, who are often making a strategic purchase of our platform with the potential for broad use throughout their organizations. We use a “land and expand” sales strategy to capitalize on this potential. Our platform is often initially adopted within a specific business function, including in finance, sales, and supply chain, and other corporate functions such as marketing, human resources, and operations, for one or more planning use cases. Once customers see the benefits of our platform for their initial use cases, they often increase the number of users, add new use cases, and expand to additional lines of business, divisions, and geographies. We call this the Honeycomb™ effect. This expansion often generates a natural network effect in which the value of our platform increases as more use cases are adopted, more users are connected, and greater amounts of data are incorporated in our platform.

As of January 31, 2020, over 1,400 customers were using our platform. The success of our “land and expand” strategy is validated by the expansion we have experienced in the use of our platform by our largest customers and by our dollar-based net expansion rates. Our top 25 customers by average annual recurring revenue as of January 31, 2020, had average annual recurring revenue of approximately \$3.6 million, compared to the average annual recurring revenue represented by their initial purchase of approximately \$0.3 million. In addition, our annual dollar-based net expansion rate for Anaplan as a whole was over 120% at the end of fiscal 2020, 2019, and 2018, respectively. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations” for a description of how we calculate our dollar-based net expansion rate. The number of customers with greater than \$250,000 of annual recurring revenue was 353, 248, and 181 as of the end of fiscal 2020, 2019, and 2018, respectively. While achieving and maintaining incremental sales to existing customers requires increasingly sophisticated and costly sales efforts, we believe the introduction of new solutions, features and functionality to our platform, and customers realizing benefits through their initial adoption of our platform means we have significant opportunities to further expand the use of our platform by our existing customers as well as to attract additional large customers.

We sell our cloud platform primarily through our direct sales team. We also have a broad network of partners, including strategic and advisory consulting, systems integration, and technology firms to extend our customer reach and help accelerate the sale and delivery of our platform as a supplement to our direct sales force. Our global partners, including global strategic consulting firms and global systems integrators, often promote our platform as their clients examine how to plan more effectively or seek digital transformation through organizational change or improved business processes. We also partner with leading regional consulting firms. These highly skilled regional partners not only provide subject-matter expertise in the implementation of specific use cases, but they also act as an extension of our direct sales force by identifying and referring opportunities to us. We and our partners create templated solution offerings to further accelerate the implementation, adoption and expansion of our platform. We continue to invest in on-going training of our partners to ensure that our customers have access to high-caliber partners who are well-versed in our latest technology.

For financial information regarding our business, see “Part II-Item 7-Management’s Discussion and Analysis of Financial Condition and Results of Operations” of this Annual Report and our consolidated audited financial statements and related notes included elsewhere in this Annual Report.

Our Platform

Our cloud platform is designed to address the end-to-end Connected Planning needs of all organizations and to enable them to plan and execute digital transformations. It incorporates the best elements of existing, standalone technologies in a single, unified codebase specifically architected for a cloud-native environment from its inception to serve as a single platform for decision-making and planning. Our platform has the power and functionality to address the most complex planning challenges of the largest global enterprises.

Our proprietary Hyperblock® technology is at the core of our platform and was purpose-built to bring real-time Connected Planning to lines of business throughout the organization, including sales, supply chain, marketing, human resources, and operations, in addition to finance.

We empower customers to quickly and easily build models to address the most complex business challenges through a collaborative and intuitive user experience. Our powerful modeling engine, which is based on our proprietary Hyperblock® technology, enables thousands of concurrent users to access a centralized single source of information for planning, ensuring the consistency, quality, and integrity of data for every user for real-time calculation at enterprise scale. Our innovative in-memory architecture allows customers to rapidly run alternative scenarios to understand the impact of changes in business assumptions on plans and key performance indicators in real time in a secure environment through identity management, data encryption and user access controls. Our platform also leverages predictive analytics to produce actionable intelligence that gives our customers a competitive advantage. We continue to invest in artificial intelligence, including machine learning, to further enhance the predictive capabilities of our platform in addition to investing in the extensibility of our platform with flexible integrations, APIs and connectors.

While the use cases for our platform are unbounded, our customers typically use our platform for:

- **Sales.** Managing sales performance, including incentive compensation, territory and quota planning, sales forecasting, account segmentation and scoring, and sales capacity planning.
- **Finance.** Managing financial and overall enterprise performance, including financial budgeting, planning, and forecasting. Other areas include tax and treasury planning, financial consolidations and reporting, and long-range planning.
- **Supply Chain.** Managing supply chain fundamentals, including demand planning, supply planning, sales and operations planning, inventory, and new product introduction planning.
- **HR.** Managing workforce plans and performance, including workforce and headcount planning, workforce optimization planning, succession planning, and global compensation.
- **Marketing.** Managing marketing performance, including trade promotion planning, pricing optimization, and marketing performance management.
- **Operations.** Managing performance for many additional operational areas, including IT, project budgeting and performance analysis, retail merchandise planning, call center planning, resource capacity planning for professional services, actuarial and premium modeling for insurance, capital planning for banking, clinical trial planning for pharmaceuticals, merchandize planning for retailers and commodity sensitivity analysis for consumer goods.
- **Digital Transformation.** Managing digital transformation, planning and execution for discrete operating areas or the company as a whole. Once the Anaplan model is created, operating and technology leaders can work together in real time to identify those areas that can be most improved by introducing new technologies and/or processes.

Benefits to Our Customers

Our customers use our platform to improve their businesses by making better and faster decisions and transform their businesses by enabling new technology and process changes. Our platform allows our customers to rapidly achieve productivity gains and cost savings, which can result in high returns on investment.

Our customers achieve these benefits as a result of the following key attributes of our platform:

- **Intelligent.** Customers can gain actionable intelligence by accessing data from both within and outside of the organization, integrating hundreds of applications and documents, and using advanced predictive analytics.
- **Collaborative.** Customers can connect people, data, and plans to collaborate across the organization in real time without transferring data between point products and spreadsheets. As a result, our platform enables collaborative and intuitive user experience and integrated business planning at strategic and operational levels across lines of business.
- **Dynamic.** Customers can rapidly run alternative scenarios to understand the impact of changes in model assumptions. Users can view and assess the impact of model assumptions on plans and key performance indicators in real time.

- **Accurate.** Customers can create a centralized single source of information for planning data, thus ensuring the consistency, quality, and integrity of the data utilized.
- **Scalable.** Customers can build models at massive scale that are deployed horizontally and vertically throughout organizations and allow thousands of concurrent users to access consistent data without sacrificing performance.
- **Easy to Implement and Use.** Customers can rapidly build and easily modify and manage sophisticated models to address their specific needs without coding or relying on their IT departments, resulting in a more rapid return on their time and investment with a seamless and personalized experience across devices.
- **Comprehensive.** Customers can benefit from a comprehensive platform designed to be deployed horizontally and vertically throughout their organizations. Users from every line of business across and within our customers can utilize our platform to address all of their Connected Planning needs.
- **Mobile & Improved User Interface.** Customers can benefit from the mobile app that enables quick decision-making and can increase efficiencies around planning processes to extend the reach of our platform. Our improved and modern user interface includes highly customized views and reports that facilitate personalized experiences for every user of the platform. The workflow improvements include guided experiences for quicker execution. The intuitive interface allows users to combine insights from multiple complex models into one consolidated view and enables real-time forecast updates.

Our Technology

Our platform is built on a multi-tenant, cloud-native architecture, with our proprietary Hyperblock® technology at its core. This platform is purpose-built to leverage the efficiency and effectiveness that Hyperblock® provides to enable any user to quickly and easily build complex Connected Planning models with powerful capabilities that accelerate business success. By fusing Hyperblock® with features designed for usability, intelligence, and security, users are able to process data from a wide breadth of use cases within a single modeling environment. Key technology components of our platform include:

- **Purpose-Built with Hyperblock® for Connected Planning.** Our proprietary Hyperblock® technology combines a flexible data structure with in-memory storage and calculation, allowing users to make decisions in near-real time. The platform is deployed in a multi-tenant cloud environment to enable scale without degradation of quality across numerous users.
- **Flexible Data Structure.** Hyperblock® merges traditionally distinct or disconnected database structures, including relational, columnar, and OLAP, with in-memory data storage and calculation into a unified architecture. By providing a flexible data structure, users can easily build and modify multi-dimensional models addressing use cases that span the breadth of a company's needs, all within a single modeling environment.
- **In-Memory Data Engine.** Hyperblock® includes an in-memory data engine that leverages 64-bit multi-core parallel processors to centralize calculation logic in one place and delivers calculations on a massive amount of data at very high speed in real-time. By leveraging in-memory storage, Hyperblock® allows every cell to know its relationship to the rest of the data and automatically updates for any changes in that data set.
- **Cloud-Native, Multi-Tenant Architecture.** We built our platform with a multi-tenant cloud architecture to allow planning in a scalable, versatile, and real-time manner. The cloud allows our users to implement our platform quickly and make it accessible to users anywhere in the world, instantly using an internet connection, across any mainstream browser and device, resulting in rapid time to value. Multi-tenancy allows our platform to deliver synchronized, updated software versions to all our customers, ensuring they all consistently have access to the latest functionality, resulting in higher overall software quality, better service level agreements, faster product innovation, and lower operational costs than traditional software ported to servers in the cloud.
- **Features and Capabilities Designed for Usability, Intelligence and Security.** Our platform enables our customers to model and optimize a vast array of processes within their organizations.

- **Natural Language Modeling.** This technology gives business users powerful control over models by allowing them to create and modify models with clicks, not code. Business users can change hierarchy definitions and perform other changes using drag-and-drop functionality and create and update models using natural language references in formula calculations. This approach significantly reduces the chances of logical errors being created in a model and makes it far easier to identify errors if they are made.
- **Intelligence through Predictive Algorithms.** Our platform generates actionable intelligence and insights, which helps an organization make better decisions. Our platform contains an advanced math engine that leverages predictive algorithms and optimization tools that solve both linear and mixed-integer programming problems. We are investing significant research and development resources to strengthen our platform's predictive capabilities, including support for additional statistical functions and optimization of complex planning use cases involving thousands of variables.
- **Robust Security.** We built robust security into our platform and customers can benefit from the robust security features including data encryption, user access and identity management. Data at rest is stored in a proprietary, non-readable binary format and subject to full-disk AES-256 encryption. Backups also use AES-256 encryption. A bring your own key, or BYOK, option enables our customers to own and manage their own encryption keys if required for compliance needs.
- **Governance and Administration.** We offer enterprise-grade governance tools, including the first Application Lifecycle Management, or ALM, capability in the Connected Planning category. Our ALM capability enables customers to effectively manage the development, testing, deployment, and ongoing maintenance of models without disrupting the production environment. We also offer Workflow, a tool that bridges the gap between planning and execution, helping individuals across an extended organization collaborate to bring connected plans to life. In addition, a detailed logging capability provides customers' administrators with full visibility of how and when models are being accessed and by whom, ensuring integrity of the operations. Our platform also provides change tracking and auditing, allowing users to revert back to older model versions seamlessly.
- **Data Management.** Our platform's features enable users to create a data hub to greatly accelerate the realization of Connected Planning by providing a single, accurate, and consistent data repository for users across an organization. Administrators can manage connections between the data hub and source systems or the corporate data warehouse, while individual users connect their planning models to the data hub. This architecture eliminates the need for users to establish data connections to source systems and helps ensure the quality and integrity of those connections.
- **Interoperability and Extensibility.** Our platform enables our customers to model and optimize a vast array of processes within their organizations utilizing data from many sources. Our platform also integrates with the products of leading technology partners and it supports open API standards-based data sharing, flexible integrations and connections. This capability allows seamless data ingestion from the source systems on the back end. The platform also enables companies to collaborate with users outside of our platform framework, such as trading partners in a supply chain.

Our Growth Strategy

Our goal is to make Anaplan the platform of choice for end-to-end Connected Planning in large global enterprises. Key elements of our growth strategy include:

- **Drive New Customer Acquisition.** While we have enjoyed rapid customer growth, we believe we are still in the very early stages of penetrating our addressable market. We strive to make our platform the preferred planning foundation for large enterprises seeking digital transformation, which we believe have the largest communities of potential users and face the most complex planning challenges. We believe these large organizations have the greatest potential for expanded use of our platform and have needs that are particularly well addressed by the comprehensive capabilities of our platform. Through the Honeycomb™ effect, we seek to deliver strategic value to the C-suite with the ability to provide a line-of-sight connecting every function, asset, capacity, risk and resource across the enterprise which creates a dynamic view of the financial implications and guides better business outcomes. We utilize an ecosystem of partners who provide leverage to our sales team in targeting and selling our platform to large and mid-market organizations.
- **Expand within Existing Customers.** We aim to drive Connected Planning across the entire organization to help our customers benefit from the full value of our platform. Our platform is often initially adopted within a specific line of business, including in finance, sales, and supply chain, and other corporate functions such as marketing, human resources, and operations, for one or more planning use cases. Once customers see the benefits of our platform for their initial use cases, they often increase the number of users, add new use cases, and expand to additional lines of business, divisions, and geographies as they continue unlocking the agile enterprise planning and operating model across functional boundaries. This expansion often generates a natural network effect in which the value of our platform increases as more use cases are adopted, more users are connected, and greater amounts of data are incorporated in our platform. The value of the digital transformation capabilities becomes greater as the use of our platform expands within an organization. Our ability to expand within our customers' organization is reflected by the annual dollar-based net expansion rate for Anaplan as a whole, which has been over 120% as of the end of each of our last three fiscal years.
- **Continue to Expand Globally.** We have a significant opportunity to further expand and we intend to continue to invest in the use of our platform. We have made substantial investments in building our global sales and marketing, service delivery, and customer support capabilities and have a strong and growing presence globally. In fiscal 2020, approximately 43% of our revenue was generated outside of the United States, demonstrating the importance of our global operations. As companies across the globe are digitizing their business processes and maturing their digital transformation efforts, they are trying to be more efficient in managing their resources and are finding value in our platform. We continue working closely with our partners in offering a complete end-to-end solution that provides a strategic competitive advantage.
- **Broaden and Deepen our Partner Ecosystem.** Our partner ecosystem extends our geographic coverage, accelerates the usage and adoption of our platform, promotes thought leadership, and enables more efficient delivery of service solutions. We intend to augment and deepen our relationships with global and regional partners, including strategic and advisory consulting firms, systems integration, and technology firms. We believe our partners' scale and route to market can significantly contribute to our ability to penetrate our addressable market, extend our geographic coverage and accelerate the usage and adoption of our platform.
- **Continue to Innovate and Extend our Technology Platform Leadership.** We plan to continue extending the functionality and breadth of our platform. We have a well-defined technology roadmap to introduce new features and functionality to our platform that we believe will enhance our ability to generate revenue by broadening the appeal of our platform to potential new customers as well as increasing the opportunities for further expanding the use of our platform by existing customers. We are investing to further enhance the user interface, functionality, interoperability, extensibility and usability of our platform, including in artificial intelligence, including machine learning, to further expand the predictive capabilities of our platform.

Customer First Strategy

We put the success of our customers at the center of our culture, strategy, and investments. We view our Customer First strategy as core to capturing our Connected Planning vision and driving continued expansion in the use of our platform. As thought leaders in Connected Planning and its enablement of digital transformation initiatives, we have developed deep domain expertise and best practices that are crucial to addressing our customers' and partners' planning challenges. By aligning our thought leadership, worldwide development and delivery capabilities, and local sales and service resources, our Customer First strategy drives exceptional value throughout our customers' Connected Planning and digital transformation journeys. We also ensure that our partner community supporting our customers is fully versed in this philosophy by enabling them with resources such as the Anaplan Academy, which provides access to training materials and certifications to our customers and partners. As part of our Customer First strategy, we created our customer success team dedicated to delivering an exceptional customer experience designed to foster rapid adoption, ease of doing business with us, high engagement, and strong customer retention and expansion.

Our Customers

As of January 31, 2020, we served over 1,400 customers in 50 countries.

Our customers include leading businesses in a diverse set of industries, including financial services, professional services, technology, energy, consumer goods, manufacturing, healthcare, media, retail, and transportation, as well as government agencies. No individual customer represented more than 10% of our revenue in fiscal 2020.

Our customers are passionate about our platform. We have created a program for select users to receive status as Master Anaplanners. These individuals have volunteered their own time to become identified experts on our platform and frequently promote Anaplan within their organizations and evangelize the benefits of our platform to prospective customers.

Our Culture and Employees

Our culture is the foundation of everything we do. We strive to foster a productive and engaging work environment that embodies our core values: openness, authenticity, inclusiveness, collaboration, creativity and tenacity. We put our customers first, and we focus on being innovative, passionate and bold. Our talent strategy is aligned with our business vision for long-term growth and our innovative platform strategy. We hire those who have a passion for disrupting the current planning technology paradigm, enabling our customers to dramatically improve real-time decision-making in their businesses and drive visibility into analysis and deep planning into organizations.

As of January 31, 2020, we employed 1,601 people. We also engage temporary employees and consultants. None of our employees are represented by a labor union. We have not experienced any work stoppages.

Sales and Marketing

We sell our platform primarily through our direct sales team targeting large enterprises. We have also developed strategic partnerships and relationships to source leads, provide consulting, training and implementation services and drive thought leadership in promoting Connected Planning and digital transformation. To accelerate the adoption of our platform, we and our partners create templated solution offerings that are available on our App Hub marketplace. We intend to continue to showcase solutions and use cases on our App Hub. We also encourage our partners and customers to publish the use cases they have developed on our App Hub to generate user interest. We also create and share best practices, road maps for success and advice on how to accelerate and optimize Connected Planning.

Our partnerships provide us with a significant source of lead generation and implementation leverage. These partners use our platform to build mission-critical applications for their clients to demonstrate thought leadership and provide solutions to complex modeling, forecasting, and planning problems. We generally host an annual Anaplan Connected Planning Xperience, or CPX, user conference to connect existing and potential customers, share best practices, and reinforce our brand. Through CPX we educate our end users and provide them with the expertise and knowledge to help them become successful Anaplan experts.

Partnerships and Strategic Relationships

We continue to develop a robust ecosystem of partners, including strategic and advisory consulting, systems integration, and technology firms. These partnerships allow us to extend our customer reach, develop assets and solutions, and drive customer adoption and expansion of our platform. These firms supplement our direct sales force with subject matter expertise for driving Connected Planning transformations for our customers. We categorize these partners as:

- **Global Partners.** We partner with global strategic consulting firms and global system integrators that act as strategic advisors to senior executives in corporate, functional, and process transformation initiatives of organizations. These partners promote Anaplan's platform as part of the large-scale transformation projects they drive by identifying opportunities in which our platform can help companies maximize the effectiveness of their business processes. Global system integrators also help us scale our sales and implementation delivery capacity globally by leveraging their trained staff. We believe engagements by those strategic partners lend themselves to Connected Planning because they frequently involve their clients re-examining how they can plan more dynamically and effectively as part of their digital transformations to support their strategic goals.
- **Regional Partners.** We also partner with leading regional consulting firms and implementation partners. Our implementation partners are highly skilled and trained by our team and often have deep subject-matter expertise in the implementation of specific use cases. These partners also act as an extension of our direct sales force by identifying and referring opportunities to us. Our strategy is to enable the implementation of a majority of our projects to be led by regional partners, with supplemental application support from us.
- **Technology Partners.** We are co-developing solutions with other widely adopted SaaS applications, allowing our customers to extend value across our planning platform with other applications used for areas such as customer relationship management, marketing, information technology system management, and business intelligence. Many of our consulting and implementation partners have begun to integrate Anaplan into their other vendor practice areas.

Research and Development

Our research and development team is focused on maintaining and improving our resilient platform for real-time calculation, enabling customers to derive insights for decision-making and accelerate business agility. We have a research and development culture that seeks to deliver high-quality enhancements to the functionality, performance, security, reliability, extensibility and usability of our platform and is focused on maintaining and improving our resilient platform for real-time calculation at enterprise scale. Our research and development organization is primarily responsible for design, development, testing, and delivery of our products and platform in addition to enabling frictionless, scalable integration and extension of our platform. We focus our efforts on developing core technologies, as well as further enhancing the usability, functionality, mobility, reliability, performance, and flexibility of our platform. Our research and development team enables our strategic innovation for our customer and partner solutions. We strive to achieve interoperability and extensibility with flexible integrations, connectors and APIs while providing robust protection through data encryption, identity management and user access.

We have a global workforce with research and development hubs in the United Kingdom, Israel and San Francisco, California. We hire skilled engineers, data scientists, and other talent from a variety of industries with expertise in developing mission-critical applications for global, distributed large enterprises.

Competition

The market for Connected Planning and digital transformation solutions is new and characterized by rapid technology innovation. To our knowledge, there are no other companies that service the breadth of use cases or the varying enterprise needs that we do. In many cases, our primary competition is manual, often spreadsheet-driven, processes and custom-built approaches. In addition, we compete with certain applications of large software companies, including legacy vendors such as Oracle Corporation (Oracle), SAP AG (SAP), Workday, Inc. (Workday), and International Business Machines Corporation (IBM) that offer on-premises applications sold on a perpetual license and maintenance basis, as well as cloud software versions adapted from on-premises applications. We also compete with vendors of point solution applications focused on a specific department or use case, such as sales performance management, financial planning, and supply chain planning. We could also face competition from new market entrants, some of whom may be our current technology partners.

We believe the principal competitive factors in our market include the following:

Technology and platform capabilities, including:

- enterprise-grade scalability;
- breadth of capabilities within a single modeling environment;
- intuitive and user-friendly interface;
- in-memory computing capability;
- ability to support broad collaboration in real-time;
- multi-tenant cloud-based architecture;
- security;
- data governance and administration;
- rich and dynamic analytics and reporting;
- ability to integrate with other data and applications;
- predictive algorithms and modeling capabilities; and
- configurability and agility in complex, enterprise-grade, planning environments.

Market leadership and customer success orientation, including:

- involvement in growing the category of Connected Planning;
- thought leadership and best practices, from example models to roadmaps for success;
- established, proven success;
- passionate, dedicated customers;
- customer-centric approach and focus;
- speed and scale of return on investment; and
- time to deployment.

We believe that we are competitive with respect to each of these factors.

Intellectual Property

We rely on a combination of trade secrets, patents, copyrights, and trademarks, as well as contractual protections, to establish and protect our intellectual property rights while actively working to increase our patent portfolio. As of January 31, 2020, we had four issued U.S. patents that expire between November 2030 and August 2034. We pursue the registration and enforcement of domain names, trademarks, and service marks in the United States and in various jurisdictions outside the United States. We also actively seek patent protection covering inventions originating from our company. We require our employees, consultants, and other third parties to enter into confidentiality and proprietary rights agreements and we control access to software, documentation, and other proprietary information.

We control access to and use of our proprietary technology and other confidential information through internal and external controls, including contractual protections with employees, contractors, customers, and partners, and our software is protected by U.S. and international intellectual property laws. Our policy is to require employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, and other processes generated by them on our behalf and agreeing to protect our confidential information. In addition, we generally enter into confidentiality agreements with our vendors and customers. We also control and monitor access to, and distribution of, our software, documentation, and other proprietary information.

Facilities

We sublease approximately 55,000 square feet of space for our corporate headquarters in San Francisco, California pursuant to a sublease that expires in February 2026. We also have offices or co-working facilities in Chicago, Illinois, Boston, Massachusetts, Minneapolis, Minnesota, New York, New York and Plano, Texas. We maintain international offices or co-working facilities in Australia, Austria, Belgium, France, Germany, India, Israel, Japan, Malaysia, the Netherlands, Philippines, Singapore, Sweden, Switzerland and the United Kingdom. We believe that we will be able to obtain additional space on commercially reasonable terms.

Corporate Information

We were formed in 2008 as Anaplan, LLC, a Delaware limited liability company. In July 2009, Anaplan, LLC converted into Anaplan, Inc., a Delaware corporation. Our principal executive offices are located at 50 Hawthorne Street, San Francisco, CA 94105, and our telephone number is (415) 742-8199. Our website address is www.anaplan.com. The information on, or that can be accessed through, our website is not part of this report. We have included our website address as an inactive textual reference only.

Available Information

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on the Investor Center section of our website at investors.anaplan.com as soon as reasonably practicable after we file such material with the Securities and Exchange Commission, or the SEC. The SEC also maintains an Internet website that contains reports and other information regarding issuers, such as Anaplan, that file electronically with the SEC. The SEC's Internet website is located at www.sec.gov.

ITEM 1A. RISK FACTORS

A description of the risks and uncertainties associated with our business and ownership of our common stock is set forth below. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our common stock could decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. This Annual Report on Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See "Cautionary Note Regarding Forward-Looking Statements."

We have a limited history of operating at our current scale and under our current strategy, which makes it difficult to predict our future operating results, and we may not achieve our expected operating results in the future.

While we were originally formed as Anaplan, LLC in 2008 and first introduced our business planning platform in 2011, much of our growth has occurred over the last four years. Over the last four years we have hired new senior management, substantially increased our sales and customer success headcount, shifted our sales strategy to increase our focus on large global enterprises and increased our reliance on partners to accelerate our sales process and provide implementation services. We have also substantially increased our engineering headcount and increased the frequency of our product enhancements and releases. As we have a limited history of operations at our current scale and under our current strategy, our ability to forecast our future operating results and plan for and model future growth is more limited than that of companies with longer operating histories and subject to a number of uncertainties. In addition, we have encountered and will encounter risks, uncertainties and challenges frequently experienced by growing companies in rapidly changing markets, such as determining appropriate investments of our limited resources, market acceptance of our existing and future products and capabilities, competition from other companies, successfully acquiring large new customers on a cost-effective basis and increasing revenue from existing customers, determining an appropriate headcount strategy and recruiting, training and retaining skilled personnel in support of such strategy, developing new products and capabilities, determining appropriate pricing and pricing structures for our products and capabilities, successfully protecting our intellectual property and defending against intellectual property infringement claims, unforeseen expenses and challenges in forecasting accuracy.

If our assumptions regarding these risks, uncertainties and challenges are incorrect or change, or if we do not execute on our strategy and manage these risks, uncertainties and challenges successfully, our operating results could differ materially from our expectations and those of securities analysts and investors, and our business could suffer and the trading price of our common stock could decline.

We have experienced rapid revenue growth in recent periods, and our recent growth rates may not be indicative of our future growth.

From fiscal 2019 to fiscal 2020, our total revenue grew from \$240.6 million to \$348.0 million, an increase of 45%, and from fiscal 2018 to fiscal 2019, our total revenue grew from \$168.3 million to \$240.6 million, an increase of 43%. In future periods, we may not be able to sustain revenue growth consistent with recent history and/or that meets the expectations of securities analysts or investors. You should not consider our recent revenue growth as indicative of our future performance. We believe that historical comparisons of our revenue may not be meaningful and should not be relied upon as an indication of future performance. Accordingly, you should not rely on our revenue and other growth for any prior quarter or fiscal year as an indication of our future revenue or revenue growth.

We have a history of net losses, we anticipate increasing our operating expenses in the future, and we do not expect to be profitable for the near future.

We have incurred significant losses in each period since inception, including net losses of \$149.2 million, \$131.0 million, and \$47.6 million, respectively, in fiscal 2020, 2019, and 2018. We had an accumulated deficit of \$492.5 million at January 31, 2020. Our losses and accumulated deficit reflect the substantial investments we have made to acquire new customers and develop our platform. We expect our operating expenses to increase substantially in the foreseeable future as we continue to make investments and implement initiatives designed to grow our business, including:

- expanding our sales and marketing organization to increase our overall customer base, pursue larger transactions and expand sales within our current customer base;
- expanding our offices and headcount internationally as we seek to continue to penetrate international markets;
- investing in research and development to improve the capabilities, features and functionality of our platform;
- growing our partner ecosystem;
- making additional investments to broaden and deepen our user community;
- expanding our operations and infrastructure, both domestically and internationally, to support future growth; and
- investing in legal, accounting, human resources and other administrative functions necessary to support our operating as a public company.

These initiatives may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue, if at all, in an amount sufficient to offset these higher expenses and to achieve and sustain profitability. Growth of our revenue may slow or revenue may decline for a number of possible reasons, including a decrease in our ability to attract and retain customers, a failure to successfully implement our “land and expand” strategy, which we also refer to as the Honeycomb™ effect, a failure to increase our number of partners, increasing competition, decreasing growth of our overall market, an increase in legal risk from the use of our products due to evolving laws, regulations or standards, or an inability to timely and cost-effectively introduce new products and services that are favorably received by customers and partners. Furthermore, to the extent we are successful in increasing our customer base, we will also initially incur increased losses because costs associated with acquiring customers are generally incurred up front. In contrast, subscription revenue is generally recognized ratably over the terms of the agreements that last typically two to three years, although some customers commit for shorter periods. Accordingly, we cannot assure you that we will achieve or maintain profitability in the future. Furthermore, any failure to achieve or maintain profitability, or the failure to do so on the timeline expected by investors or securities analysts, could adversely affect the value of our common stock.

Our quarterly results may fluctuate significantly and may not fully reflect the underlying performance of our business.

Our quarterly results of operations, as well as our key metrics discussed elsewhere in this report, including the levels of our revenue, gross margin, cash flow, remaining performance obligations and deferred revenue, as well as other metrics such as billings that our analysts may use to evaluate our business, have fluctuated in the past and may vary significantly in the future, and quarter-to-quarter comparisons of our operating results, key metrics and other metrics may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results and metrics may fluctuate as a result of a variety of factors, many of which are outside of our control and may not fully reflect the underlying performance of our business. These fluctuations could result in our failure to meet our expectations or those of securities analysts or investors. If we fail to meet these expectations for any particular period, the trading price of our common stock could decline significantly. Factors that may cause these quarterly fluctuations include, without limitation, those listed below:

- our ability to maintain our existing customer base and attract new customers;
- the timing and rate at which we sign agreements with customers;

- the contract value of the agreements with customers;
- our ability to expand use of our platform by existing customers through the Honeycomb™ effect;
- our ability to release platform updates and enhancements on a timely basis;
- the addition or loss of large customers, including through acquisitions or consolidations;
- our ability to successfully compete in our markets;
- the timing of recognition of revenue;
- the amount and timing of operating expenses;
- the amount and timing of completion of professional services engagements;
- changes in our pricing policies or those of our competitors;
- fluctuations in currency exchange rates and changes in the proportion of our revenue and expenses denominated in foreign currencies;
- seasonal variations in sales of our software subscriptions, which have historically been highest in the fourth quarter of a calendar year but may vary in future quarters;
- the timing and success of new product feature introductions by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers, or strategic partners;
- the financial condition of our customers;
- the timing of expenses related to the development or possible acquisition and integration of technologies or businesses and potential future charges for impairment of goodwill and long-lived assets from acquired companies;
- our ability to achieve and sustain a level of liquidity sufficient to grow and support our business and operations;
- network outages or security breaches;
- any adverse litigation, judgments, settlements, or other litigation-related costs;
- changes in the legislative or regulatory environment, such as with respect to privacy;
- the coronavirus outbreak; and
- general economic, industry, and market conditions, both domestically and internationally.

We have experienced rapid growth and expect to continue to invest in our growth for the foreseeable future. If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service, or adequately address competitive challenges and our business, financial condition and results of operations may be adversely affected.

We have experienced a period of rapid growth in our headcount and operations. During this period, we also established operations in a number of countries outside the United States. We have also significantly increased the size of our customer base.

We anticipate that we will continue to significantly expand our operations and headcount in the near term, including internationally. We sell our platform to customers in a considerable number of countries and have employees in North America, Europe, Asia-Pacific and Israel. We plan to continue to expand our operations into other countries in the future. This growth has placed, and future growth will place, a significant strain on our management, and administrative, operational, and financial infrastructure. Our success will depend in part on our ability to manage this growth effectively and execute our business plan. To manage the expected growth of our operations and personnel, we will need to continue to improve our operational, financial, and management systems and controls and our reporting systems and procedures by, among other things:

- effectively recruiting, training, integrating, overseeing and retaining employees, particularly members of our sales team;
- further improving our key business applications, processes and information technology infrastructure to support our business needs;

- reviewing our workplace and facilities strategy on a regular basis, including our relationships with flexible workspace vendors, to ensure business needs are appropriately supported;
- enhancing our information and communication systems to ensure that our employees and offices around the world are well coordinated and can effectively communicate with each other and our partners and customers;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, compliance, recordkeeping, communications and other internal systems; and
- ensuring that we maintain high levels of customer support.

These and other improvements in our systems and controls will require significant capital expenditures and the allocation of valuable management and employee resources.

Failure to effectively manage growth and/or execute our business plan could result in difficulty or delays in increasing the size of our customer base, declines in quality of customer support or customer satisfaction, increases in costs and expenses, escalating risk of noncompliance with applicable policies or laws, difficulties in introducing new features or other operational difficulties, and any of these developments could adversely affect our business performance, results of operations and financial position.

We face risks related to the coronavirus outbreak that could significantly disrupt our business operations, prolong our sales cycle and result in a material adverse effect on our financial condition, operating results and cash flows.

In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic. In light of the uncertain and rapidly evolving situation relating to the spread of the coronavirus, including precautionary and preemptive actions by governments to address the outbreak, we are conducting business with substantial modifications to employee travel, employee work locations, and virtualization or cancellation of certain sales and marketing events, among other modifications, which could negatively impact our business. The duration and severity of the coronavirus outbreak and the degree of its impact on our business is uncertain and difficult to predict. The continued spread of the outbreak could also have an adverse impact on our customers and partners and potentially lead to an economic downturn, which could result in reduced consumer demand and willingness to enter into or renew contracts with us, and ultimately could disrupt our business operations with a material adverse effect on our financial results. Furthermore, the coronavirus outbreak could adversely affect global economic and market conditions, which could result in decreased business spending by our customers and prospective customers, reduced demand for our solutions, longer sales cycles, lower renewal rates by our customers and increased competition, all of which could result in a material adverse impact on our business operations and financial condition. While we have developed and continue to develop plans to help mitigate the negative impact of the outbreak on our business, these efforts may not be effective and a protracted economic downturn may limit the effectiveness of our mitigation efforts.

Uncertain global economic and market conditions may negatively impact our business, results of operations and cash flows.

Our business depends on the overall demand for information technology and on the economic health of our current and prospective customers in the United States and abroad. Any significant weakening of the economy in the United States or in regions globally like Europe and Asia, more limited availability of credit, a reduction in business confidence and activity, decreased government spending, perceived impact of global trade barriers like tariffs and sanctions and the corresponding retaliatory actions, economic uncertainty, or other difficulties may affect one or more of the sectors or countries in which we sell our platform. Global economic and political uncertainty, including the uncertainty surrounding Brexit, increased tariffs and international trade disputes, may cause some of our customers or potential customers to curtail spending, scale back their digital transformation efforts, delay their expansion of Anaplan use cases, result in new regulatory and cost challenges to our international operations and cause customers to delay or reduce their technology spending overall. In addition, a strong dollar could reduce demand for our products in countries with relatively weaker currencies. Global economic conditions may also be adversely impacted by an outbreak of pandemics such as the recent coronavirus outbreak which may curtail business spending by our customers, result in business disruption for us and/or our customers, restrict travel to customer sites or result in a quarantine of affected populations impacting our employees, partners and customers. Additionally, mitigation and containment

measures adopted by government authorities to contain the spread of coronavirus in the U.S. and abroad may significantly impact business continuity for us, our partners and our customers, reduce our customers' business operations, delay their engagement with us (including due to travel restrictions and restrictions on in-person meetings) and could thereby result in a material adverse effect on our business and financial results. These adverse conditions could result in reductions in the rate of enterprise software spending generally, sales of our platform, longer sales cycles, slower adoption of new technologies, lower renewal rates, and increased price competition. Any of these events could have an adverse effect on our business, operating results, and financial position.

If we are unable to achieve and sustain a level of liquidity sufficient to support our operations and fulfill our obligations, our business, operating results and financial position could be adversely affected.

We actively monitor and manage our cash and cash equivalents so that sufficient liquidity is available to fund our operations and other corporate purposes. In the future, increased levels of liquidity may be required to adequately support our operations and initiatives and to mitigate the effects of business challenges or unforeseen circumstances. If we are unable to achieve and sustain such increased levels of liquidity, we may suffer adverse consequences including reduced investment in our platform and its functionality, difficulties in executing our business plan and fulfilling our obligations, and other operational challenges. Any of these developments could adversely affect our business, operating results and financial position.

Because we derive substantially all of our revenue from a single software platform, failure of Connected Planning solutions and digital transformation in general and our platform in particular to satisfy customer demands or to achieve increased market acceptance would adversely affect our business, results of operations, financial condition, and growth prospects.

We derive and expect to continue to derive substantially all of our revenue from our cloud-based enterprise planning software platform. As such, the market acceptance of cloud-based Connected Planning solutions and digital transformation in general and our platform in particular are critical to our continued success. Market acceptance of a cloud-based Connected Planning solution depends in part on market awareness of the benefits that Connected Planning and digital transformation can provide over legacy planning products, emerging point products and manual processes and organizations more broadly deploying planning solutions to their employees and across functional lines of business. In addition, in order for cloud-based Connected Planning solutions to be widely accepted, organizations must overcome any concerns with placing sensitive information on a cloud-based platform. The market for cloud-based Connected Planning solutions is at an early stage of development, and we cannot be sure that this market will expand in a manner that will support the growth of our business. In addition, demand for our platform in particular is affected by a number of other factors, some of which are beyond our control. These factors include continued market acceptance of our platform for existing and new use cases and the introduction of enhancements to our platform, the pace at which existing customers realize benefits from the use of our platform and its features and decide to expand deployment of our platform across their business, the extent to which our customers involve a wider group of employees in planning, the timing of development and release of new products by our competitors, technological change, the perception of ease of use, reliability and security, the pace at which enterprises transform their business planning capabilities, and developments in data privacy regulations. In addition, we expect that the planning and integration needs of our enterprise customers will continue to rapidly change and increase in complexity. We will need to improve the functionality, ease of use, and performance of our platform continually to meet those rapidly changing, complex demands. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of Connected Planning solutions in general or our platform in particular, our business operations, financial results, and growth prospects will be materially and adversely affected.

If we are unable to attract new customers, both domestically and internationally, the growth of our revenue will be adversely affected and our business may be harmed.

Our ability to achieve significant growth in revenue and improvement in other key metrics in the future will depend, in large part, upon the effectiveness of our sales and marketing efforts, both domestically and internationally, and our ability to attract new customers. This may be particularly challenging where an organization has already invested substantial personnel and financial resources to integrate traditional strategic planning and management solutions into its business, as such organization may be reluctant or unwilling to invest in new products and services. Furthermore, as our industry

matures or if competitors introduce lower cost and/or differentiated products or services that are perceived to compete with ours, our ability to sell to new customers based on factors such as pricing, technology, and functionality could be impaired. Additionally, mitigation and containment measures adopted by government authorities to contain the spread of coronavirus in the U.S. and abroad, including travel restrictions and other requirements that limit in-person meetings, could limit our ability to establish relationships with new customers. As a result, we may be unable to attract new customers at rates or on terms that would be favorable or comparable to prior periods, and our business, revenue, operating results, and financial condition could be adversely affected.

Our business depends substantially on our customers renewing their subscriptions and expanding their use of our platform. If our customers do not renew their subscriptions, if they renew on less favorable terms, or if they fail to add more users in more functional areas or upgrade to a higher level of functionality on our platform, our business and operating results will be adversely affected.

In order for us to maintain or improve our operating results, it is important that our customers renew their subscriptions when the contract term expires, add additional authorized users to their subscriptions, and upgrade to a higher level of functionality on the platform. Our customers generally enter into agreements with two- to three- year subscription terms and have no obligation to renew their subscriptions after the expiration of their initial subscription period. Our customers may decide not to renew their subscriptions with a similar contract period, at the same prices or terms or with the same or a greater number of authorized users or level of functionality. Some of our customers have elected not to renew their agreements with us, and we may not be able to accurately predict renewal rates. Our customer retention may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our platform and features, our prices, the features and pricing of competing products, reductions in our customers' spending levels, mergers and acquisitions involving our customers and deteriorating general economic conditions.

In addition, our growth strategy is a "land-and-expand" strategy that depends in substantial part on our customers expanding the use of our platform in their organizations through use by additional users, use across more functional areas of their organization, including finance, sales, supply chain, marketing, human resources, and operations, and the purchase of subscriptions providing additional features and functionality, such as the mobile app and predictive capabilities of our platform for sales and marketing. We refer to our "land and expand" strategy as the Honeycomb™ effect where our platform's agility enables additional use cases across business functions. To increase the opportunities for further expanding the use of our platform by existing customers, we will need to introduce new features and functionality to our platform to more comprehensively address the needs of customers deploying our platform to address a wider variety of use cases and to support large, complex models. If our customers do not realize benefits through their initial adoption of our platform, or if they do not believe that they will realize additional benefits through broader deployment of our platform in other functional areas of their organizations, or in other uses cases, our ability to increase our revenue will suffer. Achieving incremental sales to our current customer base requires increasingly sophisticated and costly sales efforts that are targeted at senior management. If we are not able to attract the attention of senior management, our sales efforts may not be effective and our ability to increase our revenue will suffer.

If our customers do not renew their subscriptions, if they renew on less favorable terms, or if they fail to add more users in more functional areas or upgrade to a higher level of functionality on our platform, our business and operating results as well as certain metrics that may be used to evaluate our business such as billings and dollar-based net expansion rate will be adversely affected.

The success of our business depends upon training our customers to effectively utilize our platform to unlock its full potential. Our failure to effectively educate, train and provide continuing guidance and support to our customers may adversely affect the results of operations, financial condition and growth prospects.

Our business requires our customers to be trained on our platform to effectively implement and increase adoption of our platform. Incorrect or improper implementation or use of our platform could result in customer dissatisfaction and harm our business and financial condition. Our platform is designed to be deployed in a wide range of technological environments, and integrates data from a broad and complex range of workflows and systems. Our ability to support such large-scale deployments using disparate technologies requires ongoing training in the proper use of our platform. In order to maximize the value of our platform we must continue to educate and train our customers to develop the skills necessary to harness the power of our platform. Without proper implementation and training, including training qualified

professionals and developing a steady stream of skilled users of our platform, we may not be able to accelerate our business. Failure to develop a pipeline of qualified, highly trained professionals may adversely impact our financial performance. If our customers are unable to implement our platform, perceptions of our company and our platform may be impaired, our reputation and brand may suffer, and customers may choose not to renew their subscriptions or increase their purchases of our related services. Our customers and partners need regular training to derive the numerous benefits of our platform and maximize its potential without which our results of operations and growth prospects could be materially adversely affected.

Our efforts aimed at developing a steady pipeline of highly qualified and trained personnel, including through investments in the Anaplan Academy, Anaplan's online training portal providing a full range of training courses on our solution, may not be successful. For example, the courses we offer on the Anaplan Academy may not serve their intended purpose or the certification programs we offer may take longer than anticipated to create a robust and consistent pipeline of talent.

If we experience a security incident affecting our platform or internal networks, systems or data, or are perceived to have experienced such a security incident, our platform may be perceived as not being secure, our reputation may be harmed, customers may reduce the use of or stop using our platform, we may incur significant liabilities, and our business could be materially adversely affected.

Security incidents have become more prevalent across industries and may occur on our platform or internal systems or the systems of our third-party service providers. These security incidents may be caused by or result in, but are not limited to, security breaches, loss, modification or disclosure of sensitive information, computer malware or malicious software, computer hacking, denial or degradation of service attacks, security system control failures in our own systems or from vendors we use, email phishing, software vulnerabilities, social engineering, and sabotage. Such security incidents, whether intentional or otherwise, may result from actions of hackers, criminals, nation states, vendors, employees, customers, or others. The techniques used to effect unauthorized penetration of computer systems are constantly evolving and have been increasing in sophistication. While we have security measures in place that are designed to protect customer and other sensitive information and the integrity of our information technology systems and prevent data loss and other security breaches, our security measures or those of our third party service providers may not be sufficiently broad in scope to protect all relevant information, may not function as planned, or could be breached as a result of third-party action, employee or vendor error, malfeasance, or otherwise. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement sufficient control measures to defend against these techniques. Further, once a security incident is identified, we may be unable to remediate or otherwise respond to such incident in a timely manner. Our users may also disclose or lose control of their passwords, or use the same or similar passwords on third parties' systems, which could lead to unauthorized access to their accounts on our platform.

We may also experience disruptions, outages, and other performance problems on our systems due to service attacks, unauthorized access, or other security-related incidents. For example, third parties may conduct attacks designed to temporarily deny customers access to our services. Any successful denial of service attack could result in a loss of customer confidence in the security of our platform and damage to our brand.

Our platform involves the storage, transmission and processing of our customers' sensitive proprietary information, including their business and financial data. As a result, unauthorized access to customer data or security breaches could result in the loss, or unauthorized dissemination or modification, of such data, which could seriously harm our or our customers' businesses and reputations. Any of these security incidents, whether real or perceived, could result in the expenditure of significant resources to analyze, correct, eliminate, or remediate errors or vulnerabilities, negatively affect our ability to attract new customers, cause existing customers to elect to not renew their subscriptions, expose us to reputational damage, subject us to third-party lawsuits, regulatory inquiries or fines, or other action or liability, which could adversely affect our operating results. We cannot assure you that any limitations of liability provisions in our contracts for a security breach or incident would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim. While we

maintain insurance, our insurance coverage related to security and privacy damages may not be adequate for liabilities actually incurred and we cannot be certain that insurance will continue to be available to us on economically reasonable terms, or at all. These risks are likely to increase as our brand becomes more widely known and recognized, we continue to grow the scale and functionality of our platform and process, store, and transmit increasingly large amounts of our customers' information and data, which may include proprietary or confidential data or personal or identifying information.

The markets in which we participate are intensely competitive, and if we do not compete effectively, our business and operating results could be adversely affected.

The market for business planning software is highly competitive, with relatively low barriers to entry for some software or services. As a result, we anticipate aggressive competition not only from established vendors of business planning software but also from new entrants into the industry. Our ability to compete successfully in our market depends on a number of factors, both within and outside of our control. Any failure by us to compete successfully in any one of these or other areas may reduce the demand for our platform, as well as adversely affect our business, operating results, and financial condition.

Our competitors primarily include Oracle Corporation (Oracle), SAP AG (SAP), Workday, Inc. (Workday) and International Business Machines Corporation (IBM), which are well-established providers of business planning and analytics software with long-standing relationships with many customers. Some customers may be hesitant to adopt cloud-based software such as ours or to purchase cloud-based software from us and may prefer to purchase from such legacy software vendors. Oracle, SAP, and IBM are larger than we are and have greater name recognition, longer operating histories, larger marketing budgets, and significantly greater resources than we do. These vendors, as well as other competitors, may offer business planning software on a standalone basis at a low price or bundled as part of a larger product sale. Our competitors may also seek to partner with other leading cloud providers.

We may also face competition from a variety of vendors of cloud-based and on-premises software products that address only a portion of the use cases addressed by our platform, including spreadsheets, which are used by virtually every business to some degree for business planning. Some of these applications may have greater functionality than our platform for the specific use cases for which they were designed, even if they lack the breadth of planning capabilities provided by our platform. In addition, other companies that provide cloud-based software in different target markets may develop software or acquire companies that operate in our target markets, and some potential customers may elect to develop their own internal software or simply use the manual processes that they have traditionally used. With the introduction of new technologies and market entrants, we expect competition to intensify in the future.

Many of our competitors have longer operating histories and greater name recognition than we do and are able to devote greater resources to the development, promotion, and sale of their products and services than we can. Furthermore, our current or potential competitors may acquire or be acquired by third parties with greater available resources and the ability to initiate or withstand substantial price competition, and the resulting change in the competitive landscape could adversely affect our ability to compete effectively. In addition, many of our competitors have established marketing relationships, access to larger customer bases, and major distribution agreements with consultants, systems integrators, and resellers. Our competitors may also establish cooperative relationships among themselves or with third parties that may further enhance their product offerings or resources. If our competitors are successful in bringing their products or services to market earlier than ours or if their products or services are more technologically capable than ours, then our revenue could be adversely affected. In addition, some of our competitors may offer their products and services at a lower price. If we are unable to achieve our target pricing levels, our operating results would be negatively affected. Pricing pressures and increased competition could result in reduced sales, reduced margins, losses or a failure to maintain or improve our competitive market position, any of which could adversely affect our business.

Failure to effectively expand our sales and marketing capabilities could harm our ability to increase our customer base and achieve broader market acceptance of our service.

Our ability to increase our customer base, achieve broader market acceptance of our platform, grow our revenue, and achieve and sustain profitability will depend, to a significant extent, on our ability to effectively expand our sales and marketing operations and activities. Our sales and marketing expenses

represent a significant percentage of our revenue, and our operating results will suffer if our sales and marketing expenditures do not contribute to increasing revenue as we anticipate. We are substantially dependent on our direct sales force to obtain new customers. Over the last three years we have increased the size of our direct sales force, and accordingly many of the new members of our sales force have not yet become fully productive. We plan to continue to expand our direct sales force both domestically and internationally but we may not be able to recruit and hire a sufficient number of sales personnel to successfully execute our hiring strategy, which may adversely affect our ability to expand our sales capabilities. New hires require significant training and time before they achieve full productivity, particularly in new sales territories. Our recent hires and planned hires may not become as productive as quickly as we would like, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business. Furthermore, hiring sales personnel in new countries can be costly, complex, and time-consuming, and requires additional set up and upfront costs that may be disproportionate to the initial revenue that we expect to receive from those countries. We believe that there is significant competition for direct sales personnel with the sales skills and technical knowledge that we require. Our ability to achieve significant revenue growth in the future will depend, in large part, on our success in recruiting, training, incentivizing and retaining a sufficient number of qualified direct sales personnel and on such personnel attaining desired productivity levels within a reasonable amount of time. Attrition rates may increase, and we may face integration challenges as we continue to seek to aggressively expand our sales force. Moreover, we do not have significant experience as an organization developing and implementing overseas marketing campaigns, and such campaigns may be expensive and difficult to implement. Our business will be harmed if our continuing investment in increasing our sales and marketing capabilities do not generate a significant increase in revenue.

If we fail to continue to enhance our platform, satisfy the cloud infrastructure priorities of our clients or adapt to rapid technological change, our ability to remain competitive could be impaired.

The industry in which we compete is characterized by rapid technological change, frequent introductions of new products, and evolving industry standards. Our ability to attract new customers and increase revenue from existing customers will depend in significant part on our ability to anticipate industry standards and trends and continue to enhance our platform, introduce new functionality, including in predictive analytics and machine learning, update our infrastructure on a timely basis to broaden the appeal of our platform to potential new customers, provide an intuitive and user-friendly interface, incorporate robust security features that address existing and developing threats, increase the opportunities for further expanding the use of our platform by existing customers, and keep pace with technological developments. The success of any enhancement, new functionality, or infrastructure development depends on several factors, including timely completion and market acceptance. Any new enhancement, functionality, or infrastructure development might not be introduced in a timely or cost-effective manner and might not achieve the broad market acceptance necessary to generate significant revenue. If any of our competitors implements new technologies before we are able to implement them, those competitors may be able to provide more effective products than ours at lower prices.

We have experienced, and may in the future experience, delays in the planned release dates of enhancements to our platform. Delays could result in adverse publicity, loss of sales, delay in market acceptance of our platform, any of which could cause us to lose existing customers or impair our ability to attract new customers. In addition, the introduction of new products and services by competitors or the development of entirely new technologies to replace existing offerings could make our platform obsolete or adversely affect our ability to compete. Any delay or failure in the introduction of enhancements, functionality, or infrastructure developments could harm our business, results of operations, and financial condition.

Our platform must also integrate with a variety of third-party technologies, and we need to continuously modify and enhance our platform to adapt to changes in cloud-enabled hardware, software, networking, browser, and database technologies. Any failure of our platform to operate effectively with existing or future technologies could cause customer dissatisfaction and reduce the demand for our platform, resulting in harm to our business. Further, the emergence of new industry standards related to strategic planning and operational execution products and services may adversely affect the demand for our platform. In addition, because our platform is cloud-based, we need to continually enhance and improve our platform to keep pace with changes in Internet-related hardware, software, communications, and database technologies and standards. Any failure of our platform to operate effectively with future

hardware or software technologies, or to comply with new industry standards, could reduce the demand for our platform and harm our business, results of operations, and financial condition.

Our growth depends in part on the success of our strategic relationships with third parties and their continued performance.

We have established strategic relationships with global strategic consulting firms, global systems integrators, regional consulting firms, implementation partners, and technology partners. We intend for these parties, as members of our partner ecosystem, to contribute to our growth by, among other things, extending the coverage and enhancing the expertise of our professional services, and accelerating the usage and adoption of our platform. Partners can also exercise a significant role in revenue generation, by referring opportunities to us, enhancing the effectiveness of our sales efforts by establishing connections with senior management at prospective customers and/or promoting the use of our platform as a key component of transformation projects that the partner is implementing with their own customers. In order to grow our business, we anticipate that we will need to broaden and deepen our partner ecosystem by continuing to establish and maintain relationships with such third parties. Identifying partners, and negotiating and documenting relationships with them, requires significant time and resources. Our partners may have relationships with our competitors or experience with their products or services and such relationships or experience may result in our partners recommending our competitors' products or services over ours. Furthermore, our competitors may be effective in providing incentives to our partners to favor their products or services or to prevent or reduce subscriptions to our services. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential customers, as our partners may no longer facilitate the adoption of our platform by potential customers.

If we are unsuccessful in establishing or maintaining our relationships with third parties, or our partners fail to perform or are unable to perform (including due to the impact of the coronavirus outbreak), our ability to compete in the marketplace or to grow our revenue could be impaired, we could incur increased operating expenses and our operating results may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer adoption or usage of our platform or increased revenue.

Our ability to achieve growth in revenue will depend substantially on our partners being able to utilize highly skilled and trained users of our platform to provide professional services, promote the adoption of our platform and drive revenue generation activities. If we fail to effectively educate, train and provide continuing guidance to a sufficient number of qualified users of our platform for utilization with our partners, our results of operations, financial condition and growth prospects may be adversely affected.

Our partners rely heavily on highly skilled and trained users of our platform, such as Master Anaplanners, to effectively provide implementation, training and consulting services to our customers, develop new solutions on our platform, promote and facilitate adoption of our platform and help drive revenue generation activities that are beneficial to us.

We address our partners' demand for skilled and trained users of our platform by investing in efforts aimed at developing a steady pipeline of highly qualified and trained personnel, including through investments in the Anaplan Academy. However, our efforts may be ineffective. For example, the courses we offer on the Anaplan Academy may not serve their intended purpose or the certification programs we offer may take longer than anticipated to create a robust and consistent pipeline of talent. If we fail to develop and maintain a sufficient pipeline of qualified and trained users of our platform for utilization with our partners, we may suffer adverse consequences including professional services not being furnished correctly, incorrect or improper use of our platform by partners and customers, damage to our reputation and brand, and customers choosing not to renew their subscriptions or expand their use of our platform. Any of these events could have an adverse effect on our business, financial position and growth prospects.

Real or perceived errors, failures, bugs, service outages, or disruptions in our platform could adversely affect our reputation and harm our business.

Our platform is complex, has contained defects and errors and may continue to contain undetected defects or errors. We are continuing to evolve the features and functionality of our platform through updates and enhancements, and as we do so, we may introduce additional defects or errors that may not be detected until after deployment by our customers. In addition, if our platform is not implemented or used correctly or as intended, inadequate performance and disruptions in service may result. Moreover, we have acquired and may in the future acquire companies or integrate into our platform technologies developed by third parties and we may encounter difficulty in incorporating the newly-obtained technologies into our platform or maintaining the quality standards that are consistent with our reputation, and furthermore, we may face technological incompatibilities with the newly-acquired intellectual property. In addition, while we seek to maintain sufficient excess capacity in our operations infrastructure to meet the needs of all of our customers, we have experienced, and may in the future experience, disruptions, outages, and other performance problems.

Since our customers use our platform for important aspects of their business, any actual or perceived errors, defects, disruptions in service, outages, or other performance problems could damage our customers' businesses. Any defects or errors in our platform and solutions, or the perception of such defects or errors, or other performance problems could result in any of the following, each of which could adversely affect our business and results of operations:

- expenditure of significant financial and product development resources in efforts to analyze, correct, eliminate or work around errors or defects;
- loss of existing or potential customers or partners;
- interruptions or delays in sales of our platform;
- delayed or lost revenue;
- delay or failure to attain market acceptance;
- delay in the development or release of new functionality or improvements to our platform;
- negative publicity, which could harm our reputation;
- sales credits or refunds for prepaid amounts related to unused subscription services;
- diversion of development and customer service resources;
- breach of warranty claims against us, which could result in an increase in our provision for doubtful accounts; and
- an increase in collection cycles for accounts receivable or the expense and risk of litigation.

Although we have contractual protections, such as warranty disclaimers and limitation of liability provisions, in our standard terms and conditions of sale, they may not fully or effectively protect us from claims by customers, partners or other third parties. Any insurance coverage we may have may not adequately cover all claims asserted against us or cover only a portion of such claims. A successful product liability, warranty, or other similar claim against us could have an adverse effect on our business, operating results, and financial condition. In addition, even claims that ultimately are unsuccessful could result in our expenditure of funds in litigation and divert management's time and other resources.

Interruptions, delays in service or inability to increase capacity, including internationally, at our third-party data center facilities could impair the use or functionality of our platform, harm our business, and subject us to liability.

We currently serve our customers from third-party data center facilities operated by Equinix, Inc. located in the United States, the Netherlands, and Germany. Although we have disaster recovery plans that utilize multiple data center facilities, any incident affecting a data center facility's infrastructure or operations that may be caused by fire, flood, severe storm, earthquake, power loss, telecommunications failures, breach of security protocols, computer viruses and disabling devices, failure of access control mechanisms, natural disasters, war, criminal act, military actions, terrorist attacks and other similar events beyond our control could negatively affect the use, functionality or availability of our platform and harm our business. Furthermore, in the event of interruption or delay, our insurance coverage may not adequately compensate us for any losses that we may incur.

In addition, as we continue to increase the number of customers and users on our platform, we will need to increase the capacity of our data center infrastructure, including internationally. If we do not increase our capacity in a timely manner, customers could experience interruptions or delays in access to our platform, and we may not be able to attract potential customers in specific regions of the world unless we open data centers in those regions. As we continue to add data centers and capacity in our existing data centers, we may move or transfer our data and our customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the use or functionality of our platform. Any damage to, or failure of, our systems, or those of our third-party data centers, could interrupt our service and hinder the use or functionality of our platform. Impairment of or interruptions in our service may reduce our revenue, cause us to issue credits or pay penalties, subject us to claims and litigation, cause our customers to terminate their subscriptions, and adversely affect our renewal rates and our ability to attract new customers. Our business will also be harmed if our customers and potential customers believe our platform is unreliable.

Because our platform is sold to enterprises with complex operating environments, we can encounter long and unpredictable sales cycles, which could adversely affect our operating results in a given period.

Our ability to increase revenue and achieve profitability depends, in large part, on widespread acceptance of our platform by enterprise customers who tend to make larger purchases of our products. As we target our sales efforts at these customers, we face greater costs, longer sales cycles and less predictability in completing some of our sales. As a result of the variability and length of the sales cycle, we have only a limited ability to forecast the timing of sales. A delay in or failure to complete sales could harm our business and financial results and could cause our financial results to vary significantly from period to period. Our sales cycle varies widely, reflecting differences in potential customers' decision-making processes, procurement requirements, and budget cycles, and is subject to significant risks over which we have little or no control, including:

- customers' budgetary constraints and priorities;
- the timing of customers' budget cycles;
- the need by some customers for lengthy evaluations;
- announcements of new products, features, or functionality by us or our competitors;
- external factors such as economic uncertainty (including due to the coronavirus outbreak); and
- the length and timing of customers' approval processes.

In the enterprise market, a customer's decision to use our platform may be an enterprise-wide decision, requiring us to expend substantial time, effort, and money educating enterprise customers as to the use and value of our platform. In addition, our ability to successfully sell our platform to enterprises is dependent on us attracting and retaining sales personnel with experience in selling to larger organizations. Moreover, our target customers may prefer to purchase software that is critical to their business from one of our larger, more established competitors. Our typical sales cycles can range from three to nine months, and we expect that this lengthy sales cycle may continue or lengthen further. Longer sales cycles could cause our operating and financial results to suffer in a given period.

Because we recognize revenue over varying periods depending on the nature of the revenue, changes in our business including downturns or upturns in new sales and renewals will not be immediately reflected in our operating results and may be difficult to discern.

We generally recognize subscription revenue from customers ratably over the terms of their contracts, which are typically two to three years, although some customers commit for shorter periods. As a result, most of the subscription revenue we report in each quarter is derived from the recognition of deferred revenue relating to subscriptions entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any single quarter will likely have only a small impact on our revenue for that quarter. However, such a decline will negatively affect our revenue in future quarters. In addition, the severity and duration of events may not be predictable and their effects could extend beyond a single quarter. Accordingly, the effect of significant downturns in sales and market acceptance of our platform,

and potential changes in our pricing policies or rate of renewals, may not be fully apparent from our reported results of operations until future periods.

In addition, a majority of our costs are expensed as incurred, while subscription revenue is recognized over the life of the customer agreement. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements with them. Our subscription model also makes it difficult for us to rapidly increase our revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

In addition, professional services revenue is recognized as the services are performed or upon the completion of the project, depending on the type of professional services arrangement involved. Professional services engagements typically span from a few weeks to several months, which can make it difficult to predict the timing of revenue recognition for such services and the corresponding effects on our results of operations. Professional services revenue has fluctuated and may continue to fluctuate significantly from period to period, as we are increasingly leveraging our partners to provide these services. In addition, because professional services expenses are recognized as the services are performed, professional services margins can significantly fluctuate from period to period.

The sum of our revenue and changes in deferred revenue may not be an accurate indicator of business activity within a period.

Investors or analysts sometimes look to the sum of revenue and changes in deferred revenue, sometimes referred to as "estimated billings," as an indicator of business activity in a period for businesses such as ours. However, these measures may significantly differ from underlying business activity for a number of reasons including:

- a relatively large number of transactions occur at the end of the quarter. Invoicing of those transactions may or may not occur before the end of the quarter based on a number of factors including receipt of information from the customer, volume of transactions, and holidays. A shift of a few days has little economic impact on our business, but will shift deferred revenue from one period into the next;
- multi-year upfront billings may distort trends;
- subscriptions that have deferred start dates; and
- services that are invoiced upon delivery.

Accordingly, we do not believe that estimated billings are an accurate indicator of future revenue for any given period of time. However, many companies that provide subscriptions report changes in estimated billings as a key operating or financial metric, and it is possible that analysts or investors may view this metric as important. Thus, any changes in our estimated billings could adversely affect the market price of our common stock.

Changes in our subscription or pricing models could adversely affect our operating results.

As the markets for our software subscriptions grow, as new competitors introduce new products or services that compete with ours or as we enter into new international markets, we may be unable to attract new customers at the same price or based on the same pricing model as we have historically used. Regardless of pricing model used, large customers may demand higher price discounts than in the past. As a result, we may be required to reduce our prices, offer shorter contract durations or offer alternative pricing models, which could adversely affect our revenue, gross margin, profitability, financial position, and cash flow.

We have limited experience with respect to determining the optimal prices for our platform and services. In the past, we have been able to increase our prices for our platform and services, but we may choose not to introduce or be unsuccessful in implementing future price increases. Our competitors may introduce new products that compete with ours or reduce their prices, or we may be unable to attract new customers or retain existing customers based on our historical pricing models. As we expand internationally, we also must determine the appropriate price to enable us to compete effectively internationally. In addition, if our mix of products sold changes, then we may need to, or choose to, revise our pricing. As a result, we may be required or choose to reduce our prices or change our pricing model, which could harm our business, results of operations and financial condition.

We invest significantly in research and development, and to the extent our research and development investments are not directed efficiently or do not result in material enhancements to our platform, our business and results of operations would be harmed.

A key element of our strategy is to invest significantly in our research and development efforts to enhance the features, functionality, performance, and ease of use of our platform to address additional applications and use cases that will broaden the appeal of our platform and facilitate the broad use of our platform across the largest enterprise customers. If we do not spend our research and development budget efficiently or effectively on compelling innovation and technologies such as predictive analytics and machine learning or deploy our human resources appropriately in support of such research and development efforts, our business may be harmed and we may not realize the expected benefits of our strategy. Moreover, research and development projects can be technically challenging and expensive. As a result of the nature of research and development cycles, there will be delays between the time we incur expenses associated with research and development activities and the time we are able to offer compelling enhancements to our platform and generate revenue, if any, from those activities. Additionally, anticipated customer demand for a platform enhancement we are developing could decrease after the development cycle has commenced. If we expend a significant amount of resources on research and development efforts that do not lead to the successful introduction of functionality or platform improvements that are competitive in our current or future markets our business and results of operations will suffer.

If customers are not satisfied with the implementation services provided by us or our partners, our business could be adversely affected.

Our business depends on the professional services that are performed to help our customers implement and use our platform. Professional services may be performed by our own staff, by a third-party partner or by a combination of the two. Our strategy is to work with partners to increase the breadth of capability and depth of capacity for delivery of these services to our customers, and we expect the number of our partner-led implementations to continue to increase over time. If a customer is not satisfied with the quality of work performed by us or a partner or with the type of professional services or functionality delivered, even if we are not contractually responsible for the partner services, then we could incur additional costs to address the situation, the profitability of that work might be impaired and the customer's dissatisfaction with our or our partner's services could damage our ability to expand the scope of functionality subscribed to by that customer. In addition, negative publicity related to our customer relationships, regardless of its accuracy, may further damage our business by affecting our ability to compete for new business with current and prospective customers.

We typically provide service level commitments under our customer contracts. If we fail to meet these contractual commitments, we could be obligated to provide credits or refunds for prepaid amounts related to unused subscription services or face contract terminations, which could adversely affect our revenue.

Our customer agreements typically provide service level commitments on a monthly basis. If we are unable to meet the stated service level commitments or suffer extended periods of unavailability for our platform, we may be contractually obligated to provide these customers with service credits, or we could face contract terminations, in which case we would be subject to refunds for prepaid amounts related to unused subscription services. Our revenue could be significantly affected if we suffer unexcused downtime under our agreements with our customers. Any extended service outages could adversely affect our reputation, ability to attract new customers and retain existing customers, revenue, and operating results.

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

Once our platform is implemented, our customers depend on our support organization to resolve technical issues or perceived technical issues relating to the platform. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. We also may be unable to modify the format of our support services to compete with changes in support services provided by our competitors. Increased customer demand for these services, without corresponding revenue, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on our business reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality technical support, or a market perception that we do not

maintain high-quality support, could adversely affect our reputation, our ability to sell subscriptions to our platform to existing and prospective customers and our business, operating results, and financial position.

If we fail to develop, maintain, and enhance widespread brand awareness cost-effectively, and expedite the awareness of Connected Planning solutions that enable digital transformation, our revenue and competitive position may be materially and adversely affected.

We believe that developing, maintaining, and enhancing widespread awareness of our brand and Connected Planning solutions that enable digital transformation in a cost-effective manner is critical to achieving widespread acceptance of our platform, attracting new customers, and maintaining existing customers. For example, widespread awareness of our brand is critical to ensuring that we are invited to participate in requests for proposals from prospective customers. We have made, and will continue to make, significant investments to promote our brand. However, brand promotion activities may not generate customer awareness or increase revenue, and, even if they do, any increase in revenue may not offset the expenses we incur in building our brand. If we fail to successfully promote and maintain our brand, or incur substantial expenses, we may fail to attract or retain customers necessary to realize a sufficient return on our brand-building efforts or to achieve the widespread brand awareness that is critical for broad customer adoption of our platform. We believe that the importance of our brand and reputation will increase as competition in our market further intensifies.

In addition, independent industry analysts often provide reviews of our platform, as well as the products and services of our competitors, and perception of our platform in the marketplace may be significantly influenced by these reviews. If these reviews are negative, or less positive as compared to those of our competitors' products and services, our brand may be adversely affected. Additionally, the performance of our partners may affect our brand and reputation if customers do not have a positive experience with our partners' services. Negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, our partners or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Damage to our reputation and loss of brand equity may reduce demand for our platform and have an adverse effect on our business, operating results, and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brands may be costly and time consuming, and such efforts may not ultimately be successful. The upfront investment and costs incurred to build and maintain our brand, both domestically and internationally, may not generate increased market acceptance and may negatively impact our results of operations.

We depend on the experience and expertise of our senior management team and certain key employees, and our inability to retain these executive officers and key employees or recruit them in a timely manner, could harm our business, operating results, and financial condition.

Our success depends largely upon the continued services of our key executive officers and certain key employees. We rely on our executive officers and key employees in the areas of business strategy, research and development, marketing, sales, services, and general and administrative functions. The departure of an executive officer or key employee may subject us to various adverse effects, including loss of institutional knowledge, experience and skills, reduction in employee morale and negative press coverage. We have in the past experienced, and from time to time in the future we may experience, changes in our executive management team or key employees resulting from the hiring or departure of executives or key employees, which could disrupt our business. We do not have employment agreements with our executive officers or other key personnel that require them to continue to work for us for any specified period and, therefore, they could terminate their employment with us at any time. Conversely, we may terminate the employment of the senior management team and certain key employees, which may subject us to costly and time-consuming negotiations over severance, litigation and employment claims. The loss of one or more of our executive officers or key employees could have a serious adverse effect on our business.

To execute our growth plan, we must attract and retain highly qualified personnel. Competition for personnel is intense, including for engineers with high levels of experience in designing and developing software for Internet-related services, and for direct sales personnel. For example, competition is intense for experienced software and cloud infrastructure engineers in San Francisco in the United States and London and York in the U.K., our primary development locations. We have, from time to time, experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or our company have breached their legal obligations, resulting in a diversion of our time and resources and potential litigation. In addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. If the perceived value of our stock awards declines, it may adversely affect our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be adversely affected.

A significant portion of our senior management team has worked at the company for a limited time.

Despite having significant experience in their individual areas of expertise, several key members of our senior management team have a relatively short tenure with us. These members of management are critical to our vision, strategic direction, culture, and overall business success. Because of these recent changes, our senior management team has not worked together at the company for an extended period of time and may not be able to work together effectively to execute our business objectives. Furthermore, if we are unable to quickly and comprehensively prepare the new members of our senior management team for their respective responsibilities and integrate them into the company, our business and operating results could be adversely affected.

Because we collect, process and store personal information and furthermore, because our platform could be used by customers to do the same, evolving domestic and international privacy and security laws, regulations and other obligations could result in additional costs and liabilities to us or inhibit sales of our platform.

We collect, process, store and transfer various types of information, including personally identifiable information, for our customers and similar data about our employees, services providers, partners and potential customers in the normal course of business. Additionally, our customers can use our platform to collect, process, and store certain types of personal or identifying information regarding their employees and customers. In most cases we contractually prohibit our customers from using our platform to collect, process, or store sensitive information (such as personal health information or credit card information); however, our customers may breach such use prohibitions without our knowledge. Such a breach could result in our violation of the laws, rules, or regulations governing the collection, use, and protection of personal information, which could adversely impact our business, financial condition, and operating results. Moreover, as our customers face increased scrutiny for data privacy breaches, they may elect to transfer the risk to us through contractual provisions which may subject us to increasing levels of contractual liability for data privacy breaches.

Data privacy and security have become significant issues in the United States and in many other countries where our platform is available. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. For example, in June 2018, California enacted the California Consumer Privacy Act, or CCPA. The CCPA came into effect on January 1, 2020, and broadly defines personal information, extends expanded privacy rights and protections to California residents, and provides for civil penalties for violations and a private right of action for data breaches. In addition to California, many federal, state, and foreign government bodies and agencies have adopted or are considering adopting laws, rules, and regulations regarding the collection, use, storage, data residency, security, and disclosure of personal information and breach notification procedures. Laws, rules, and regulations in these jurisdictions apply broadly to the collection, use, storage, data residency, disclosure, and security of various types of data, including data that identifies or may be used to identify an individual, such as names, email addresses, and in some jurisdictions, Internet Protocol addresses. Interpretation of, and costs of compliance with, these laws, rules, and regulations and their application to our platform and services in the United States and foreign jurisdictions is ongoing and cannot be fully determined at this time.

In the United States, these include laws, rules, and regulations are promulgated under the authority of the Federal Trade Commission, the Electronic Communications Privacy Act, Computer Fraud and Abuse Act, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Gramm Leach Bliley Act, and state laws relating to privacy and data security. Internationally, virtually every jurisdiction in which we operate has established its own data security and privacy legal framework with which we, or our customers, must comply. There may be substantial amounts of personally identifiable information or other sensitive information processed and stored on our internal systems and networks and on our platform.

In December 2015, European Union, or EU, institutions reached agreement on a draft regulation that was formally adopted in April 2016, referred to as the General Data Protection Regulation, or GDPR. The GDPR, which became effective May 25, 2018, includes more stringent operational requirements for processors and controllers of personal data, and it replaces both the 1995 EU Data Protection Directive and supersedes applicable EU member state legislation.

The GDPR significantly increases the level of sanctions for non-compliance from those in existing EU data protection law. EU data protection authorities have the power to impose administrative fines for violations of the GDPR of up to a maximum of €20 million or 4% of the data controller's or data processor's total worldwide global turnover for the preceding financial year, whichever is higher, and actual or alleged violations of the GDPR may also lead to damages claims by data controllers and data subjects. We have taken and will continue to take steps to cause our processes to be compliant with applicable portions of the GDPR, but the rules and regulations under the GDPR may not be fully articulated and we cannot assure you that our steps will be compliant. Our efforts to comply with the GDPR or other new data protection laws and regulations may cause us to incur substantial operational costs, require us to modify our data handling practices, and may otherwise adversely impact our business, financial condition and operating results.

Further, following a referendum in June 2016 in which voters in the United Kingdom approved an exit from the EU, the United Kingdom formally completed its withdrawal from the European Union on January 31, 2020 in a process known as "Brexit". This has created uncertainty with regard to the future regulation of data protection in the United Kingdom. We may experience reluctance or refusal by current or prospective customers in Europe, including the United Kingdom, to use our products, and we may find it necessary or desirable to make further changes to our handling of personal data of European residents. The regulatory environment applicable to the handling of European residents' personal data, and our actions taken in response, may cause us to assume additional liabilities or incur additional costs, and could result in our business, operating results, and financial condition being harmed.

We have been certified under the EU-U.S. Privacy Shield with respect to our transfer of certain personal data from the European Union to the United States. The Privacy Shield program is subject to annual review and may be challenged, suspended, or invalidated. At present, the EU-U.S. Privacy Shield framework and the use of EU Standard Contractual Clauses, or the Model Clauses, to protect data exports between the European Union and the U.S. are both subject to ongoing legal challenges. These legal challenges may result in a ruling that the industry-standard measures we, and other companies, have taken are no longer sufficient. It is also possible that the Privacy Shield program may need to be updated by the European Commission and Department of Commerce to take into account the GDPR. Moreover, we may be unsuccessful in maintaining legitimate means for our transfer and receipt of personal data from the European Union to the United States and may be at risk of experiencing reluctance or refusal of European or multi-national customers to use our solutions and incurring regulatory penalties, which may have an adverse effect on our business. In addition to government regulation, privacy advocates, and industry groups may propose new and different self-regulatory standards that may apply to us. Because the interpretation and application of privacy and data protection laws, regulations, rules, and other standards are still uncertain, it is possible that these laws, rules, regulations, and other standards' actual or alleged legal obligations, such as contractual or self-regulatory obligations, may be interpreted and applied in a manner that is inconsistent with our data management practices or the features of our platform. If so, in addition to the possibility of fines, lawsuits, and other claims, we could be required to fundamentally change our business activities and practices or modify our platform, which we may be unable to do in a commercially reasonable manner or at all, and which could have an adverse effect on our business.

Despite our compliance efforts, we may fail to achieve compliance with applicable privacy or data protection laws and regulations as they evolve, or adhere to contractual obligations regarding the collection, processing, storage and transfer of data (including data from our customers, prospective customers, partners and employees), either due to internal or external factors such as resource limitations or a lack of vendor cooperation. Any actual or perceived failure to comply with these laws or obligations could result in enforcement action against us, including fines, claims for damages by customers and other affected individuals, damage to our reputation, and loss of goodwill (both in relation to existing customers and prospective customers), any of which could harm our business, results of operations, and financial condition.

Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our platform. Privacy concerns, whether valid or not valid, may inhibit market adoption of our software particularly in certain industries and foreign countries.

Our global operations and sales to customers outside the United States or with international operations subject us to risks inherent in international operations that can harm our business, results of operations, and financial condition.

A key element of our strategy is to operate globally and sell our products to customers across the world. We derive a significant portion of our revenue from customers located outside the United States. Operating globally requires significant resources and management attention and subject us to regulatory, economic, geographic, and political risks, including:

- increased management, travel, infrastructure and legal compliance costs associated with having operations in many countries;
- increased financial accounting and reporting burdens and complexities;
- variations in adoption and acceptance of cloud computing in different countries, requirements or preferences for domestic products, and difficulties in replacing products offered by more established or known regional competitors;
- new and different sources of competition;
- laws and business practices favoring local competitors;
- differing technical standards, existing or future regulatory and certification requirements and required features and functionality;
- communication and integration problems related to entering and serving new markets with different languages, cultures, and political systems;
- compliance with foreign privacy and security laws and regulations, including data privacy laws that require customer data to be stored and processed in a designated territory, and the risks and costs of non-compliance;
- compliance with laws and regulations for foreign operations, including anti-bribery laws (such as the U.S. Foreign Corrupt Practices Act, the U.S. Travel Act, and the U.K. Bribery Act), import and export control laws, tariffs, trade barriers, economic sanctions, and other regulatory or contractual limitations on our ability to sell our products in certain foreign markets, and the risks and costs of non-compliance;
- heightened risks of unfair or corrupt business practices in certain geographies that may impact our financial results and result in restatements of our consolidated financial statements;
- fluctuations in currency exchange rates and related effects on our results of operations;
- difficulties in repatriating or transferring funds from or converting currencies in certain countries;
- different pricing environments, longer sales cycles, and longer accounts receivable payment cycles and collections issues;

- weak economic conditions in certain countries or regions and general economic uncertainty around the world;
- differing labor standards, including restrictions related to, and the increased cost of, terminating employees in some countries;
- difficulties in recruiting and hiring employees in certain countries;
- the preference for localized software and licensing programs;
- the preference for localized language support;
- unstable regional economic and political conditions;
- weaker protection in some jurisdictions for intellectual property and other legal rights than in the United States and practical difficulties in enforcing intellectual property and other rights outside of the United States;
- compliance with the laws of numerous foreign taxing jurisdictions, including withholding obligations, and overlapping of different tax regimes;
- compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy, and data protection laws and regulations;
- the fragmentation of longstanding regulatory frameworks caused by Brexit; and
- our international operations and international sales may be impacted by global pandemics such as the recent outbreak of coronavirus.

Any of the above risks could adversely affect our international operations, reduce our revenue from customers outside of the United States or increase our operating costs, each of which could adversely affect our business, results of operations, financial condition, and growth prospects.

Some of our business partners also have international operations and are subject to the risks described above. Even if we are able to successfully manage the risks of international operations, our business may be adversely affected if our business partners are not able to successfully manage these risks.

Indemnity provisions in various agreements potentially expose us to substantial liability for intellectual property infringement and other losses.

Our agreements with customers and other third parties generally include indemnification provisions under which we agree to indemnify them for losses suffered or incurred as a result of claims of intellectual property infringement, or other liabilities relating to or arising from our software, services or other contractual obligations. Large indemnity payments could harm our business, results of operations, and financial condition. Although we normally contractually limit our liability with respect to such indemnity obligations, those limitations may not be fully enforceable in all situations, and we may still incur substantial liability under those agreements. Any dispute with a customer with respect to such obligations could have adverse effects on our relationship with that customer and other existing customers and new customers and harm our business and results of operations.

We may face exposure to foreign currency exchange rate fluctuations.

While our international contracts are sometimes denominated in US dollars, a significant portion of our revenue is in foreign currencies and the majority of our international costs are denominated in local currencies. Over time, an increasing portion of our international contracts may be denominated in local currencies. Therefore, fluctuations in the value of the U.S. dollar and foreign currencies may affect our operating results when translated into U.S. dollars. We do not currently engage in currency hedging activities to limit the risk of exchange rate fluctuations. However, in the future, we may engage in hedging activities including the use of derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not successfully offset any of the risks associated with exchange rate fluctuations, including uncertainty caused by volatility in the currency exchange rates. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

We rely on third parties for essential services and functionality in support of our business, and a failure or disruption in these services could materially and adversely affect our business and operating results.

We rely on third parties to provide essential services and functionality, including data storage and collaboration, customer relationship management and human capital management services, to support our business. These services are generally provided to us via a cloud-based model instead of software that is installed on our premises. If these services become unavailable due to extended outages or interruptions, security vulnerabilities, or cyber-attacks, because they are no longer available on commercially reasonable terms or prices, or due to other unforeseen circumstances such as global pandemics, our expenses could increase, our ability to manage these critical functions could be interrupted, and our ability to support our customers and employees could be impaired, all of which could materially and adversely affect our business and operating results.

We are subject to anti-corruption, anti-bribery, and similar laws, and failure to comply with these laws could subject us to criminal penalties or significant fines and harm our business and reputation.

We are subject to anti-corruption and anti-bribery and similar laws, such as the U.S. Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, the U.K. Bribery Act 2010, and other anti-corruption, anti-bribery, and anti-money laundering laws in countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making or offering improper payments, or other benefits to government officials and others in the private sector. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, sanctions, settlements, prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage, and other consequences. Any investigations, actions, or sanctions could harm our business, operating results, and financial condition.

We are subject to governmental export and import controls and economic sanctions programs that could impair our ability to compete in international markets or subject us to liability if we violate the controls or programs.

We are subject to certain U.S. export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Exports of our platform must be made in compliance with these laws and regulations. If we fail to comply with these laws and regulations, we and certain of our employees could be subject to substantial civil or criminal penalties, including: the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, for a particular sale may be time-consuming, is not guaranteed, and may result in the delay or loss of sales opportunities.

We incorporate encryption technology into our platform. These encryption products and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception or other appropriate government authorizations. In addition, various countries regulate the import of certain encryption technology, including through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our platform or could limit our customers' ability to implement our platform in those countries. Governmental regulation of encryption technology and regulation of imports or exports of encryption products, or our failure to obtain required import or export approval for our platform, when applicable, could harm our international sales and adversely affect our revenue. Furthermore, U.S. export control laws and economic sanctions programs prohibit the shipment of certain products and services to countries, governments, and persons targeted by U.S. sanctions. Any violations of such economic embargoes and trade sanction regulations could have negative consequences, including government investigations, penalties, and reputational harm.

Changes in our platform or future changes in export and import regulations may create delays in the introduction and sale of our platform in international markets, prevent our customers with international operations from deploying our platform globally or, in some cases, prevent the export or import of our platform to certain countries, governments, or persons altogether. Any change in export or import regulations, economic sanctions or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platform by, or in our decreased ability to export or sell our platform to, existing or potential customers with international operations. Any decreased use of our platform or limitation on our ability to export or sell our platform would likely adversely affect our business, financial condition, and results of operations.

We could incur substantial costs in expanding, protecting or defending our intellectual property rights, and any failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brand.

Our success and ability to compete depend in part upon our intellectual property and our ability to expand our existing intellectual property portfolio. We primarily rely on copyright, patent, trade secret and trademark laws, trade secret protection, and confidentiality or contractual agreements with our employees, customers, partners and others to protect our intellectual property rights. However, the steps we take to protect our intellectual property rights may be inadequate and we may not be able to secure our intellectual property rights in the U.S. and international markets in which we operate.

Some or all of our issued patents may be invalidated or otherwise limited, allowing our competitors to develop competitive offerings. In addition, issuance of a patent does not guarantee that we have a right to practice the patented invention or that we can effectively use that patent to limit the ability of other companies to develop competitive products. We cannot be certain that we are the first to use the inventions claimed in our issued patents or pending patent applications or otherwise used in our platform, that we are the first to file for protection in our patent applications, or that third parties do not have blocking patents that could be used to prevent us from marketing or practicing our patented technology. While we have patents and patent applications pending, we may be unable to obtain patent protection for the technology covered in our patent applications or the patent protection may not be obtained quickly enough to meet our business needs. In addition, our existing patents and any patents issued in the future may not provide us with competitive advantages or may be successfully challenged by third parties. Effective patent, trademark, copyright, and trade secret protection may not be available to us in every country in which our platform is available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States (in particular, some foreign jurisdictions do not permit patent protection for software), and mechanisms for enforcement of intellectual property rights may be inadequate. Additional uncertainty may result from changes to intellectual property legislation enacted in the United States, including the America Invents Act, and by other national governments and from interpretations of the intellectual property laws of the United States and other countries by applicable courts and agencies. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property.

Although we generally enter into confidentiality and invention assignment agreements with our employees and consultants that have access to material confidential information and enter into confidentiality agreements with our customers and the parties with whom we have strategic relationships and business alliances, these agreements may not be effective in controlling access to and distribution of our platform and propriety information or preventing reverse engineering. Further, these agreements may not prevent competitors from independently developing technologies that are substantially similar or superior to our platform.

Unauthorized use of our intellectual property may have already occurred or may occur in the future. In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce our intellectual property rights could be costly, time-consuming, and distracting to management and could result in the impairment or loss of portions of our intellectual property. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, and countersuits attacking the validity and enforceability of our intellectual property rights and could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Our failure to secure, protect, and enforce our intellectual property rights could seriously and adversely affect our brand and our business.

We may be sued by third parties for alleged infringement of their proprietary rights, which may be costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies.

There has been considerable activity in our industry to develop intellectual property and enforce intellectual property rights. Our success depends upon our not infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, may own or claim to own intellectual property relating to our platform and underlying technology, and we may be unaware of the intellectual property rights that others may claim cover aspects of our platform or the underlying technology. In the future, others may claim that our platform and underlying technology infringe or violate their intellectual property rights.

Claims of intellectual property rights infringement or other violations of intellectual property rights might require us to stop using technology found to violate a third party's rights, redesign our platform, which could require significant effort and expense and cause delays of releases, enter into costly settlement or license agreements, pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our platform. With respect to such technology for which intellectual property rights are claimed to be infringed or otherwise violated by our technology or the conduct of our business, if we cannot or do not license any infringed or otherwise violated technology on commercially reasonable terms or at all, or substitute similar non-infringing technology from another source, we could be forced to limit or stop selling our platform, we may not be able to meet our obligations to customers under our customer contracts, we may be unable to compete effectively, and our revenue and operating results could be adversely impacted. We may also be obligated to indemnify our customers and business partners or to pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify our platform, or refund fees, which could be costly. Even if we were to prevail in such a dispute, any litigation regarding intellectual property could be costly and time-consuming, damage our reputation and brand, delay or reduce potential sales, deter our partners from promoting adoption of our platform and divert the attention of our management and key personnel from our business operations. As the number of competitors in our market increases, claims of intellectual property rights infringement or other violations of intellectual property rights may increase. Furthermore, our insurance coverage may not adequately cover losses from intellectual property rights infringement claims.

We employ third-party licensed software for use in or with our platform, and the inability to maintain these licenses or errors in the software we license could result in increased costs, or reduced service levels, which could adversely affect our business.

Our platform incorporates certain third-party software obtained under licenses from other companies, and we use third-party software development tools as we continue to develop and enhance our platform. We anticipate that we will continue to rely on such third-party software in the future. If we are required to replace such software, commercially reasonable alternatives may not be available, and if they are available, they might require substantial investment of our time and resources. In addition, integration of the software used in our platform with new third-party software may require significant work and require substantial investment of our time and resources. Also, to the extent that our platform depends upon the successful operation of third-party software in conjunction with our software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of our platform, delay new feature introductions, result in a failure of our functionality or a security incident, and injure our reputation. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties. In the event that we are not able to maintain our licenses to third-party software, or cannot obtain licenses to new software as needed, or in the event third-party software used in conjunction with our platform contains errors or defects, our business, operating results, and financial condition may be adversely affected.

Our platform utilizes open source software, which could negatively affect our ability to offer our products and subject us to litigation or other adverse consequences.

Our platform utilizes software governed by open source licenses, which may include, by way of example, the MIT License and the Apache License. The use of open source software involves a number of risks, many of which cannot be eliminated and could negatively affect our business. For example, the terms of various open source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our platform. By the terms of certain open source licenses, if we combine our proprietary software with open source software in a certain manner, we could be required to release the source code of our proprietary software and to make our proprietary software available under open source licenses. We may face claims alleging noncompliance with open source license terms or misappropriation or other violation of open source technology. These claims could result in litigation, damage our reputation in the open-source community, or require us to purchase a costly license, devote additional research or development resources to re-engineer our products or services, discontinue the sale of our products if re-engineering could not be accomplished on a timely or cost-effective basis, require us to make the source code of our proprietary code generally available, or result in us being enjoined from the offering of components of our platform that contained the open source software, any of which would have a negative effect on our business and operating results. We also could be subject to lawsuits from other parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results or financial condition, and could require us to devote additional research and development resources to re-engineer our platform. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of the software.

If the market for enterprise cloud software develops more slowly than we expect or declines our business could be adversely affected.

Since our inception, nearly all of our revenue has come from sales of our subscription-based cloud software platform. We expect these sales to account for the substantial majority of our revenue for the foreseeable future. Our success will depend to a substantial extent on the widespread adoption of cloud computing in general and of cloud-based business planning solutions in particular. The enterprise cloud software market is not as mature as the market for on-premises enterprise software, and it is uncertain whether enterprise cloud software will achieve and sustain high levels of customer demand and market acceptance. Many enterprises have invested substantial personnel and financial resources to integrate traditional enterprise software into their businesses and, therefore, may be reluctant or unwilling to

migrate to enterprise cloud software. It is difficult to predict customer adoption rates and demand for our platform, the future growth rate and size of the enterprise cloud software market, or the entry of competitive solutions. The expansion of the enterprise cloud software market depends on a number of factors, including the cost, performance, and perceived value associated with enterprise cloud software, as well as the ability of enterprise cloud software companies to address security and privacy concerns. If other enterprise cloud software providers experience security incidents, loss of customer data, disruptions in delivery or other problems, the market for enterprise cloud software as a whole, including our platform, may be negatively affected. If enterprise cloud software does not achieve widespread adoption, or if there is a reduction in demand for enterprise cloud software caused by a lack of customer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies and products, decreases in corporate spending, or otherwise, our business could be adversely affected. Even if the enterprise cloud software market achieves widespread adoption in certain geographies, our business may be adversely affected if it does not achieve widespread adoption in other geographies.

Forecasts of market opportunity and market growth may prove to be inaccurate, and, even if the markets in which we compete achieve the forecasted growth, we cannot assure you our business will grow at similar rates, if at all.

Estimates of market opportunity and forecasts of market growth are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The estimates of the size of the markets that we may be able to address and forecasts relating to the expected growth in the performance management and analytic applications software market are subject to many assumptions and may prove to be inaccurate. We may not be able to address fully the markets that we believe our platform may address, and these markets may not grow at the rates that we forecast. Even if our platform is able to address the markets that we believe represent our market opportunity and even if these markets experience the forecasted growth, we may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in determining an appropriate business strategy and implementing such strategy, which is subject to many risks and uncertainties. Accordingly, estimates of market opportunity and forecasts of market growth should not be taken as indicative of our future growth.

Our corporate culture promotes an entrepreneurial mindset, and if we cannot maintain this culture as we grow, it could harm our business.

Our corporate culture is intended to promote an entrepreneurial mindset and devotion to certain values, including openness, authenticity, inclusivity, creativity and tenacity. Furthermore, our culture encourages our employees to maintain a customer-first mentality and to perform their responsibilities with speed, innovation and a sense of ownership. Our culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the core principles and values that have fueled our growth. We believe that our culture has been and will continue to be a key contributor to our success. We hope to maintain our growth trajectory and will continue to hire aggressively as we expand, especially engineering, research and development and sales personnel. If we do not continue to maintain our corporate culture as we grow, we may be unable to foster the entrepreneurial spirit, innovation, creativity, and other qualities we believe we need to support our growth. Even when we hire aggressively, we may not be able to effectively integrate new hires in our fast-paced culture. Our aggressive focus on increasing our headcount and maintaining our growth may result in a change to our corporate culture, which could harm our business and results of operations.

As we expand our geographical footprint and increase our headcount, we will need to maintain our corporate culture among a larger number of employees dispersed in various geographic regions. Any failure to maintain the cohesiveness of our culture could negatively affect our business, reduce our ability to retain and recruit personnel and could lead to the failure to achieve our vision and implement our strategy.

Our customers may fail to pay us in accordance with the terms of their agreements, necessitating action by us to compel payment.

We typically enter into multiple year, non-cancelable arrangements with our customers. If customers fail to pay us under the terms of our agreements, we may be adversely affected both from the inability to collect amounts due and the cost of enforcing the terms of our contracts, including litigation. The risk of such negative effects increases with the term length of our customer arrangements. Furthermore, some of our customers may seek bankruptcy protection or other similar relief and fail to pay amounts due to us, or pay those amounts more slowly, either of which could adversely affect our business, results of operations and financial condition.

We may engage in strategic transactions, which could divert our management's attention, result in additional dilution to our stockholders and otherwise disrupt our operations and adversely affect our operating results. The anticipated benefits of our acquisitions or joint ventures may not materialize or may take longer than expected.

In pursuing our business strategy, we have in the past acquired and may in the future seek to acquire or invest in businesses, products, technologies, or talent that we believe could complement or expand our platform, augment our product offerings, enhance our technical capabilities or otherwise offer growth opportunities. We evaluate potential targets for possible acquisitions in alignment with our business objectives. We could also enter into joint ventures or other strategic transactions for the same purpose. We often compete with others for the same opportunities. The pursuit of any of these strategic transactions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable transactions, whether or not they are consummated.

Although we seek to mitigate the risks and liabilities associated with such transactions through due diligence and other means, there may be risks and liabilities that such due diligence efforts fail to discover or that are not accurately and fully disclosed to us or that we inadequately assess.

We may fail to accurately anticipate the adoption rates of the acquired technology and such technology may fail to operate as expected. Additionally, if key personnel leave, the acquisition may not yield anticipated returns. In addition, we have limited experience in consummating strategic transactions. If we acquire additional businesses or enter into other strategic transactions, we may not be able to integrate the acquired personnel, operations, and technologies successfully, or effectively manage the combined business following the strategic transactions. We also may not achieve the anticipated benefits from the strategic transactions due to a number of factors, including:

- inability to integrate or benefit from acquired technologies or services;
- product synergies, cost reductions, increases in revenue and economies of scale may not materialize as expected;
- the business culture of the acquired entity may not match well with our culture;
- unforeseen delays, unanticipated costs and liabilities may arise when integrating operations, processes and systems in geographies where we have not conducted business;
- unanticipated costs or liabilities associated with the strategic transactions;
- incurrence of transaction-related costs;
- assumption of the existing obligations or unforeseen liabilities of the acquired business;
- difficulty integrating the accounting systems, security infrastructure, operations, and personnel of the acquired business;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the current and prospective customers of the acquired business onto our platform and contract terms, including disparities in the revenue, licensing, support, or professional services model of the acquired company;
- diversion of management's attention from other business concerns;

- adverse effects to our existing business relationships with business partners and customers as a result of the strategic transactions;
- unexpected costs may arise due to unforeseen changes in tax, payroll, pension, labor, trade, environmental and safety policies in new jurisdictions where the acquired entity operates;
- difficulty in retaining, motivating and integrating key management and other employees of the acquired business;
- use of resources that are needed in other parts of our business; and
- use of substantial portions of our available cash to consummate the strategic transaction.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations.

Strategic transactions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our operating results, increase our financial risk, and cause the market price of our common stock to decline. In addition, if a strategic transaction fails to meet our expectations, our operating results, business, and financial position may suffer.

We may not be able to secure additional financing on favorable terms, or at all, to meet our future capital needs.

We have funded our operations since inception primarily through equity financings and payments by customers. We do not know when or if our operations will generate sufficient cash to fund our ongoing operations. In the future, we may require additional capital to respond to business opportunities, challenges, strategic transactions, a decline in the level of customer prepayments or unforeseen circumstances. We may determine to engage in equity or debt financings or enter into credit facilities for these or other reasons, and we may not be able to timely secure additional debt or equity financing on favorable terms, or at all. Any debt financing obtained by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential strategic transactions. If we raise additional funds through further issuances of equity, convertible debt securities or other securities convertible into equity, our existing stockholders could suffer significant dilution in their percentage ownership of our company, and any new equity securities we issue could have rights, preferences, and privileges senior to those of holders of our common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to grow or support our business and to respond to business challenges could be significantly limited.

If we default on our credit obligations, our operations may be interrupted and our business could be seriously harmed.

We have a credit facility that we may draw on to finance our operations, strategic transactions, and other corporate purposes. Our obligations pursuant to this credit facility are secured by a first priority lien on our assets for the benefit of the lenders. Our credit facility contains financial and operating covenants, including maintenance of specified financial ratios, customary limitations on the incurrence of certain indebtedness and liens, restrictions on certain intercompany transactions, and limitations on the amount of dividends and stock repurchases. Our ability to comply with these covenants may be affected by events beyond our control, and breaches of these covenants or other obligations in the credit facility, or the occurrence of certain events specified in the credit facility, could result in a default under the credit facility and any future financial agreements into which we may enter. If we default on the obligations under our credit facility, our lenders may pursue various remedial actions against us, including:

- requiring repayment of any outstanding amounts drawn on our credit facility;
- terminating our credit facility;

- disposing of our assets subject to the lien; and
- requiring us to pay significant damages.

If any of these events occur, our operations may be interrupted and our ability to fund our operations or obligations, as well as our business, could be seriously harmed. For more information on our credit facility, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”

Catastrophic events and other events beyond our control may disrupt our business and adversely affect our operating results.

Natural disasters, catastrophic events, and other events beyond our control may cause damage or disruption to our business. As an example, our corporate headquarters are located in San Francisco, California and the west coast of the United States contains active earthquake zones. An earthquake affecting our headquarters may result in disruption to our business and operations. Additionally, we rely on our network and third-party infrastructure and enterprise applications, internal technology systems, and our website for our development, marketing, operational support, hosted services, and sales activities and such infrastructure and systems may also be affected by natural disasters or other catastrophic events. For example, our data centers are critical infrastructure located in the United States, the Netherlands, and Germany, including in areas with active earthquake zones. From time to time, global pandemics may result from outbreak of diseases such as the MERS, SARS, avian flu and the recent coronavirus, which may result in a material adverse impact on our or our customers’ business operations including reduction or suspension of operations in the U.S. or certain parts of the world. We serve a wide range of customers with international operations in varying industries including manufacturing. Depending upon the continuity and severity of pandemics such as coronavirus, our customers and partners may suspend or delay their engagement with us, or our partners may have difficulty engaging with customers and delivering the services we typically expect them to provide, which could result in a material adverse effect on our financial condition. Although we maintain disaster and crisis recovery plans, in the event of an earthquake, hurricane, flood, natural disaster or catastrophic event such as fire, power loss, telecommunications failure, breach of security protocols, global pandemics like the coronavirus outbreak, cyber-attack, war, or terrorist attack, such plans may prove to be inadequate and we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our product development, lengthy interruptions in our services, breaches of data security, and loss of critical data, all of which could have an adverse effect on our business, operating results, and financial condition. Furthermore, in the event of a catastrophic event or other crisis, our insurance coverage may not adequately compensate us for any losses that we may incur.

We incur increased costs and devote substantial management time as a result of operating as a public company.

As a public company, we incur significant legal, accounting, and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and are required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act, as well as rules and regulations subsequently implemented by the Securities and Exchange Commission, or the SEC, and the New York Stock Exchange. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and operating results. The Sarbanes-Oxley Act requires, among other things, that we establish and maintain effective disclosure controls and procedures and internal control over financial reporting. Compliance with these various requirements has increased, and we expect will continue to increase, our legal and financial compliance costs and makes some activities more time consuming and costly. In addition, our management and other personnel need to divert attention from operational and other business matters to devote substantial time to these public company requirements, which could adversely affect our business, financial condition, and operating results. Although we have hired additional employees to help comply with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our costs and expenses.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Compliance with evolving laws, regulations and standards may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may impose fines, initiate legal proceedings or take other action against us and our business may be adversely affected.

We are no longer an "emerging growth company" as defined in the Jumpstart our Business Startups Act of 2012, or the JOBS Act, and as a result, are required to comply with additional disclosure and reporting requirements. We have incurred, and we expect to continue to incur, significant expenses and we have devoted, and we expect to continue to devote, substantial management effort toward ensuring compliance with these additional disclosure and reporting requirements, including the requirement, set forth in Section 404 of the Sarbanes-Oxley Act, that we have our independent registered public accounting firm attest to the effectiveness of our internal control over financial reporting.

Public company reporting and disclosure obligations have caused our business and financial condition to become more visible. We believe that this increased visibility may result in threatened or actual litigation from time to time. If such claims are successful, our business, and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them and the diversion of management resources, could adversely affect our business and operating results.

If we fail to maintain an effective system of internal controls, our ability to produce timely and accurate financial statements, or comply with applicable regulations could be impaired.

As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act, and the rules and regulations and the listing standards of the New York Stock Exchange. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight.

Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could result in regulatory scrutiny and sanctions, cause investors to lose confidence in our reported financial and other information, and subject us to stockholder or other third party litigation, any of which could have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on the applicable stock exchange.

Pursuant to Section 404 of the Sarbanes-Oxley Act, we are required to have our independent registered public accounting firm formally attest to the effectiveness of our internal control over financial reporting. Our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed, or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material adverse effect on our business and operating results and could cause a decline in the price of our common stock.

We may not be able to utilize a significant portion of our net operating loss or research tax credit carryforwards, which could adversely affect our potential profitability.

We have federal and state net operating loss carryforwards due to prior period losses, which if not utilized will begin to expire in fiscal 2029 and 2025 for federal and state purposes, respectively. These net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities, which could adversely affect our potential profitability.

Furthermore, under the Tax Cuts and Jobs Act of 2017, or Tax Reform Act, although the treatment of tax losses generated in taxable years ending before December 31, 2017, has generally not changed, tax losses generated in taxable years beginning after December 31, 2017 may be utilized to offset no more than 80% of taxable income annually. The reduced availability of net operating losses in future taxable years could adversely affect our potential profitability.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, our ability to utilize net operating loss carryforwards or other tax attributes, such as research tax credits, in any taxable year may be limited if we experience an "ownership change." Such an "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. We completed an analysis under Sections 382 and 383 of the Code for the Company's tax years through January 31, 2019 and determined two "ownership changes" occurred, one in fiscal 2011 and one in fiscal 2012. We believe utilization of our net operating losses and tax credit carryforwards have become limited. As a result, this could result in increased U.S. federal income tax liability for us if we generate taxable income in a future period. Limitations on the use of net operating loss carryforwards and other tax attributes could also increase our state tax liability. The use of our tax attributes will also be limited to the extent that we do not generate positive taxable income in future tax periods.

Comprehensive tax reform legislation or tax rulings could adversely affect our business and financial condition.

The Tax Reform Act includes significant changes in the taxation of business entities. These changes include, among others, a permanent reduction to the corporate income tax rate, limiting interest deductions, adopting elements of a territorial tax system, assessing a repatriation tax or "toll-charge" on undistributed earnings and profits of U.S.-owned foreign corporations, and introducing certain anti-base erosion provisions. The primary impact of the new legislation on our provision for income taxes will be a reduction of the future tax benefits of existing temporary differences, which are primarily comprised of net operating loss carryforwards. Since we have recorded a full valuation allowance against our deferred tax assets, we do not anticipate that these changes will have a material impact on our operating results, but we continue to examine the impact that this tax reform legislation may have on our business. The overall impact of this tax reform is uncertain, and our business and financial condition, including with respect to our non-U.S. operations, could be adversely affected. In addition, it is uncertain if and to what extent various states will conform to the Tax Reform Act and what effect that legal challenges will have on the Tax Reform Act.

On June 7, 2019, the U.S. Court of Appeals for the Ninth Circuit issued an opinion in *Altera Corp. v. Commissioner* upholding the U.S. Treasury Department's regulations requiring related parties in an intercompany cost-sharing arrangement to share expenses related to share-based compensation in proportion to the economic activity of the related parties. This opinion reversed the prior decision of the U.S. Tax Court. On November 12, 2019, the Ninth Circuit denied a petition for a rehearing of the case. The case remains potentially open for judicial review by the U.S. Supreme Court. Since the Ninth Circuit ruling is potentially subject to further judicial review, we will continue to monitor developments and potential impacts to our consolidated financial statements.

Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could increase the costs of our services and adversely affect our business.

The application of federal, state, local, and international tax laws to services provided electronically is evolving. New income, sales, use, or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time (possibly with retroactive effect) and could be applied solely or disproportionately to services provided over the Internet. These enactments could adversely affect our sales activity due to the inherent cost increase the taxes would represent and ultimately result in a negative impact on our operating results and cash flows.

In addition, existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect), which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines or penalties and interest for past amounts. If we are unsuccessful in collecting such taxes from our customers, we could be held liable for such costs, thereby adversely affecting our operating results and cash flows.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added, or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.

We do not collect sales and use, value added, and similar taxes in all jurisdictions in which we have sales, based on our belief that such taxes are not applicable or that we are not required to collect such taxes with respect to the jurisdiction. Sales and use, value added, and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. The U.S. Supreme Court's decision in *South Dakota v. Wayfair, Inc.* increasing states' ability to assert taxing jurisdiction on out-of-state retailers could result in certain additional jurisdictions asserting that sales and use and other taxes are applicable, which could result in tax assessments, penalties, and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties, and interest or future requirements may adversely affect our results of operations.

Unanticipated changes in our effective tax rate could harm our future results.

We are subject to income taxes in the United States and foreign jurisdictions, and our domestic and international tax liabilities are subject to the allocation of expenses in differing jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings and losses in countries with differing statutory tax rates, certain non-deductible expenses as a result of acquisitions, the valuation of deferred tax assets and liabilities, and changes in federal, state, or international tax laws and accounting principles. In addition, we may be subject to income tax audits by many tax jurisdictions throughout the world, many of which have not established clear guidance on the tax treatment of SaaS-based companies. Any tax assessments, penalties, and interest, or future requirements may adversely affect our results of operations. Moreover, imposition of such taxes on us going forward will effectively increase the cost of our products to our customers and might adversely affect our ability to retain existing customers or to gain new customers in the areas in which such taxes are imposed.

Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results for periods prior and subsequent to such change. For example, recent new standards issued by the FASB that could materially impact our financial statements include certain changes to accounting for leases. We may adopt one or more of these standards retrospectively to prior periods, and the adoption may result in an adverse change to previously reported results. Additionally, the adoption of these standards may potentially require enhancements or changes in our systems and could require our financial management to devote significant time and resources to implementing those changes.

Risks Related to Ownership of Our Common Stock

The stock price of our common stock may be volatile and may decline regardless of our operating performance and you may lose all or part of your investment.

The market price of our common stock has been and may continue to be volatile. In addition to factors discussed in this report, the market price of our common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including:

- overall performance of the equity markets;
- our operating performance, including key metrics, and the performance of other similar companies;
- changes in our projected operating results that we provide to the public, our failure to meet these projections or changes in recommendations by securities analysts that elect to follow our common stock;
- changes in our financial, operating or other metrics, regardless of whether we consider those metrics as reflective of the current state or long-term prospects of our business, and how those results compare to securities analyst expectations, including whether those results fail to meet, exceed, or significantly exceed securities analyst expectations;
- announcements of technological innovations, new software or enhancements to services, acquisitions, strategic alliances, or significant agreements by us or by our competitors;
- disruptions in our services due to computer hardware, software, or network problems;
- announcements of customer additions and customer cancellations or delays in customer purchases;
- recruitment or departure of key personnel;
- the economy as a whole, market conditions in our industry and the industries of our customers;
- trading activity by a limited number of stockholders who together beneficially own a majority of our outstanding common stock;
- the size of our market float; and
- any other factors discussed in this Annual Report on Form 10-K, including the coronavirus outbreak.

In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of many technology companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have filed securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources, and the attention of management from our business and adversely affect our business.

Substantial sales of shares of our common stock, or the perception that such sales could or will occur, could cause the price of our common stock to decline.

The market price of the shares of our common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market, particularly by our directors, executive officers, or significant stockholders, or the perception in the market that the holders of a large number of shares intend to sell their shares. While shares held by directors, executive officers, and other affiliates will be subject to volume limitations under Rule 144 under the Securities Act and various vesting agreements, shares held by substantially all other stockholders can be freely sold and the price of our common stock could decline as a result of the sale of a significant number of our shares of common stock.

Subject to the satisfaction of applicable exercise periods, the shares issued upon exercise of outstanding stock options or settlement of outstanding restricted stock units will be available for immediate resale in the United States in the open market. The issuance of these shares will dilute the ownership interests of existing stockholders. Any sales in the public market of the common stock issuable upon such issuance or conversion could adversely affect prevailing market prices of our common stock.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more analysts cease or reduce coverage of us, the trading price for our common stock would be negatively affected. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, our common stock price would likely decline.

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

We have never declared nor paid cash dividends on our capital stock. We currently intend to retain any future earnings to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends in the foreseeable future. Consequently, stockholders must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

The concentration of our stock ownership will likely limit your ability to influence corporate matters, including the ability to influence the outcome of director elections and other matters requiring stockholder approval.

A relatively small number of stockholders own a majority of our common stock. As a result, these stockholders, if they were to act together, would have significant influence over all matters that require approval by our stockholders, including the election of directors and approval of significant corporate transactions. Corporate actions might be taken even if other stockholders oppose them. This concentration of ownership might also have the effect of delaying or preventing a change of control of our company that other stockholders may view as beneficial.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the trading price of our common stock.

Our amended and restated certificate of incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- a classified board of directors so that not all members of our board of directors are elected at one time, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the right of our board of directors, subject to the rights of the holders of any series of preferred stock, to the extent such preferred stock is issued by the board of directors in the future, to elect a director to fill a vacancy created by the expansion of our board of directors or the resignation, death, or removal of a director, could impede an attempt by stockholders to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;

- the requirement that a special meeting of stockholders may be called only by a majority vote of our entire board of directors, the chairman of our board of directors or our chief executive officer, which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. This provision may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from engaging in a business combination with us even if the business combination would be beneficial to our existing stockholders. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws, and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer, or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for many types of disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation or our bylaws or any action asserting a claim against us that is governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We sublease approximately 55,000 square feet of space for our corporate headquarters in San Francisco, California pursuant to a sublease that expires in February 2026. We also have leased offices or co-working facilities in Chicago, Illinois, Boston, Massachusetts, Minneapolis, Minnesota, New York, New York and Plano, Texas. We maintain international offices or co-working facilities in Australia, Austria, Belgium, France, Germany, India, Israel, Japan, Malaysia, the Netherlands, Philippines, Singapore, Sweden, Switzerland and the United Kingdom. We believe that we will be able to obtain additional space on commercially reasonable terms.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are party to litigation and subject to claims incident to the ordinary course of business. As our growth continues, we may become party to an increasing number of litigation matters and claims. The outcome of litigation and claims cannot be predicted with certainty, and the resolution of these matters could materially affect our future results of operations, cash flows, or financial position. We are not presently party to any legal proceedings that, in the opinion of management, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information for Common Stock

Our common stock has been listed on the New York Stock Exchange under the symbol "PLAN" since October 12, 2018. Prior to that date, there was no public trading market for our common stock.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain any future earnings to support operations and to finance the growth and development of our business and do not intend to declare or pay any cash dividends on our common stock for the foreseeable future. Any future determination to pay dividends on our common stock will be made at the discretion of our board of directors, subject to applicable laws, and will depend upon our results of operations, financial condition, contractual restrictions, general business conditions, capital requirements and other factors that our board of directors considers relevant.

Holders of Record

As of March 23, 2020, there were 154 registered stockholders of record of our common stock. We believe a substantially greater number of beneficial owners hold shares through brokers, banks or other nominees.

Securities Authorized for Issuance under Equity Compensation Plans

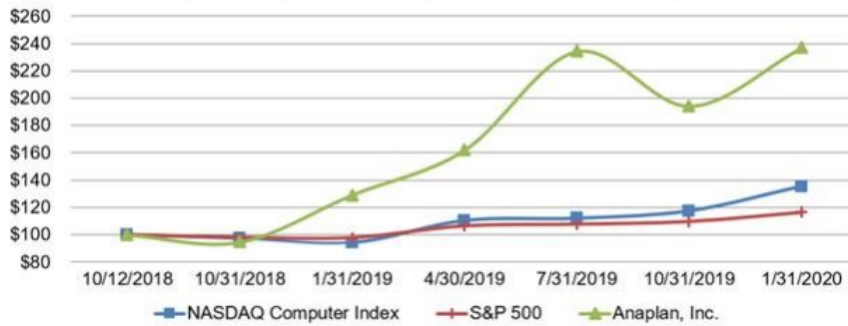
The information concerning our equity compensation plans is incorporated by reference herein to the section of the Proxy Statement entitled "Equity Compensation Plan Information."

Stock Performance Graph

The following shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or incorporated by reference into any of our other filings under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended.

The performance graph below shows the cumulative total stockholder return on our common stock for the period from October 12, 2018 to January 31, 2020. This is compared with the cumulative total return of the NASDAQ Computer Index and the Standard & Poor's 500 Stock Index, or the S&P 500 over the same period. The graph assumes that on October 12, 2018, our initial trading day, \$100 was invested in our common stock at the market close and \$100 was invested at the market close in each of the other two indices, with dividends reinvested on the date of payment without payment of any commissions. Dollar amounts in the graph are rounded to the nearest whole dollar. The performance shown in the graph represents past performance and should not be considered an indication of future performance.

Comparison of Cumulative Total Return



Recent Sale of Unregistered Securities and Use of Proceeds

Sale of Unregistered Securities

There were no sales of unregistered equity securities which have not been previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K during our fiscal year ended January 31, 2020.

Use of Proceeds

On October 16, 2018, we closed our IPO, in which we sold an aggregate of 17,825,000 shares of common stock at a price to the public of \$17.00 per share, including shares sold in connection with the exercise of the underwriters' option to purchase additional shares. The offer and sale of all of the shares in the IPO were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333-227355), which was declared effective by the Securities and Exchange Commission on October 11, 2018.

The remainder of the information required by this item regarding the use of our IPO proceeds has been omitted pursuant to SEC rules because such information has not changed since our last periodic report was filed.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

None.

ITEM 6. SELECTED FINANCIAL DATA

The consolidated statements of operations data for fiscal 2020, 2019, and 2018, and the consolidated balance sheets data as of January 31, 2020 and 2019, are derived from our audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. The consolidated statements of operations data for fiscal 2017 and 2016 and the consolidated balance sheet data as of January 31, 2018 and 2017 are derived from our audited consolidated financial statements that are not included in this Annual Report on Form 10-K. Our historical results are not necessarily indicative of our future results. The following selected consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

	Year Ended January 31,				
	2020	2019	2018	2017	2016
	(In thousands, except per share data)				
Consolidated Statements of Operations Data:					
Revenue:					
Subscription revenue	\$ 307,890	\$ 208,605	\$ 143,542	\$ 91,416	\$ 50,772
Professional services revenue	40,132	32,037	24,805	29,083	20,753
Total revenue	348,022	240,642	168,347	120,499	71,525
Cost of revenue:					
Cost of subscription revenue (1)	51,460	36,500	19,927	9,072	7,655
Cost of professional services revenue (1)	39,317	30,898	32,058	30,335	22,849
Total cost of revenue	90,777	67,398	51,985	39,407	30,504
Gross profit	257,245	173,244	116,362	81,092	41,021
Operating expenses:					
Research and development (1)	68,396	48,998	30,908	23,868	19,288
Sales and marketing (1)	250,430	176,323	100,654	73,656	55,279
General and administrative (1)	86,852	76,186	30,719	22,503	19,313
Total operating expenses	405,678	301,507	162,281	120,027	93,880
Loss from operations	(148,433)	(128,263)	(45,919)	(38,935)	(52,859)
Interest income, net	4,478	1,921	108	88	55
Other income (expense), net	(809)	(1,465)	(482)	(835)	(1,343)
Loss before income taxes	(144,764)	(127,807)	(46,293)	(39,682)	(54,147)
Provision for income taxes	(4,453)	(3,209)	(1,261)	(512)	(80)
Net loss	\$ (149,217)	\$ (131,016)	\$ (47,554)	\$ (40,194)	\$ (54,227)
Net loss per share attributable to common stockholders, basic and diluted (2)	\$ (1.15)	\$ (2.46)	\$ (2.51)	\$ (2.92)	\$ (4.62)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted (2)	129,799	53,328	18,956	13,774	11,741
(1) Includes stock-based compensation expense as follows:					
Cost of subscription revenue	\$ 2,547	\$ 831	\$ 148	\$ 49	\$ 305
Cost of professional services revenue	2,199	851	507	336	122
Research and development	10,608	3,826	742	634	452
Sales and marketing	34,428	15,475	3,496	2,555	1,363
General and administrative	30,264	31,823	3,746	2,529	1,266
Total stock-based compensation expense	\$ 80,046	\$ 52,806	\$ 8,639	\$ 6,103	\$ 3,508

- (2) See Notes 1 and 11 of the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K for an explanation of the method used to calculate basic and diluted net loss per share attributable to common stockholders and the weighted-average number of shares used in the computation of the per share amounts.

	As of January 31,			
	2020	2019	2018	2017
	(In thousands)			
Consolidated Balance Sheets Data:				
Cash and cash equivalents	\$ 309,894	\$ 326,863	\$ 110,898	\$ 80,155
Working capital	155,223	240,301	63,925	55,830
Total assets (1)	649,807	528,769	246,747	174,941
Deferred revenue, current and non-current	220,208	150,843	101,286	65,897
Total stockholders' equity	291,681	307,478	111,639	84,744

(1) The amounts as of January 31, 2020 reflect the impact of the adoption of Topic 842. The amounts as of January 31, 2019, 2018, and 2017 do not reflect the adoption of Topic 842. Refer to Note 1 in the notes to our consolidated financial statements included elsewhere in this Annual Report on Form 10K for further details.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. Discussion regarding our financial condition and results of operations for fiscal 2018 and year-to-year comparisons between fiscal 2019 and fiscal 2018 is included in Item 7 of our Annual Report on Form 10-K for the fiscal year ended January 31, 2019, filed with the SEC on March 29, 2019. This discussion contains forward-looking statements that involve risks and uncertainties as discussed in "Cautionary Note Regarding Forward-Looking Statements" included in this Annual Report on Form 10-K. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in "Risk Factors" under Part I, Item 1A in this Annual Report on Form 10-K. Our fiscal year ends January 31.

Overview

Anaplan is pioneering the category of Connected Planning. Our platform enables organizations to make better decisions and to plan and execute their ongoing digital transformation to compete in today's digital economy. We believe Connected Planning is an essential cloud category. It fundamentally transforms planning by connecting all of the people, data, and plans needed to accelerate business value and enable real-time planning and decision-making in rapidly changing business environments. Connected Planning accelerates business value by transforming the way organizations make decisions and placing the power of planning in the hands of every individual at every level within and between organizations. We continue to see the growth in the strategic value of the Connected Planning platform as a foundation for companies to drive digital transformation.

Connected Planning represents a fundamental shift from the legacy approach to planning, which is typically confined to the finance department and uses a patchwork of outdated and disconnected tools and manual processes that are often overly complex, slow, inefficient, and static. Connected Planning enables dynamic, collaborative, and intelligent planning across all areas of an organization, including finance, sales, and supply chain, and other corporate functions such as marketing, human resources, and operations. It enables organizations to manage their people, products and customers with agility.

We sell subscriptions to our cloud-based planning platform primarily through our direct sales team. We also have strategic partnerships that provide us with a significant source of lead generation and implementation leverage. Our global partners, including global strategic consulting and advisory firms, global systems integrators and technology firms, often promote our platform as their clients examine how to plan more effectively or seek digital transformation through organizational change or improved business processes. We also partner with leading regional consulting firms and implementation partners. These highly skilled regional partners not only provide subject-matter expertise in the implementation of specific use cases, but they also act as an extension of our direct sales force by identifying and referring opportunities to us. We and our partners create templated solution offerings to further accelerate the implementation, adoption and expansion of our platform.

We focus our selling efforts on executives of large enterprises, who are often making a strategic purchase of our platform with the potential for broad use throughout their organizations. We use a "land and expand" sales strategy to capitalize on this potential. Our platform is often initially adopted within a specific line of business, including in finance, sales, and supply chain, and other corporate functions such as marketing, human resources, and operations, for one or more planning use cases. Once customers see the benefits of our platform for their initial use cases, they often increase the number of users, add new use cases, and expand to additional lines of business, divisions, and geographies. We call this the Honeycomb™ effect. This expansion often generates a natural network effect in which the value of our platform increases as more use cases are adopted, more users are connected, and greater amounts of data are incorporated in our platform.

We see a greenfield opportunity to help over 70 million knowledge workers around the world plan more efficiently using Anaplan's platform.

We derive the substantial majority of our revenue from subscriptions for users on our platform. Our initial subscription term is typically two to three years, although some customers commit for shorter periods. We generally bill our customers annually in advance. We also offer professional services, including consulting, implementation, and training, but are increasingly leveraging our partners to provide these services. During fiscal 2020, 2019, and 2018, subscription revenue was \$307.9 million, \$208.6 million and \$143.5 million, respectively, representing a year-over-year subscription revenue growth rate of 48% and 45% in fiscal 2020 and 2019, respectively. During fiscal 2020, 2019, and 2018, services revenue was \$40.1 million, \$32.0 million and \$24.8 million, respectively. Our subscription revenue as a percentage of total revenue was 88%, 87%, and 85% in fiscal 2020, 2019, and 2018, respectively.

During fiscal 2020, 2019 and 2018, our total revenue was \$348.0 million, \$240.6 million and \$168.3 million, respectively. Approximately 43%, 43% and 41% of our revenue was generated from outside of the United States in fiscal 2020, 2019 and 2018, respectively. Our net loss was \$149.2 million, \$131.0 million and \$47.6 million in fiscal 2020, 2019 and 2018, respectively.

We believe that our focus on customer success allows us to retain and expand the subscription revenue generated from our existing customers, and is an indicator of the long-term value of our customer relationships for Anaplan as a whole. We track our performance in this area by measuring our dollar-based net expansion rate, which compares our annual recurring revenue from the same set of customers across comparable periods. The dollar-based net expansion rate was 122% and 123% as of January 31, 2020 and 2019, respectively.

Our dollar-based net expansion rate equals the annual recurring revenue at the end of a period for a base set of customers from which we generated annual recurring revenue in the year prior to the date of calculation, divided by the annual recurring revenue one year prior to the date of the calculation for that same set of customers. Annual recurring revenue is calculated as subscription revenue already booked and in backlog that will be recorded over the next 12 months, assuming any contract expiring in those 12 months is renewed and continues on its existing terms and at its prevailing rate of utilization.

Our Forbes Global 2000, or G2K, customer cohort consists of our customers that are included in Forbes magazine's Forbes Global 2000 list. The companies included in the list are updated annually in the second quarter of the calendar year. As of January 31, 2020, we served over 300 G2K customers, and over 250 and 190 as of January 31, 2019 and 2018, respectively. Revenue generated from customers in our G2K cohort represented 52%, 55% and 55% of our total revenue in fiscal 2020, 2019 and 2018, respectively. Over the course of the last fiscal year, the growth rate of our G2K customer cohort was substantially similar to the growth rate of our overall customer count. As we have had more fiscal quarters of experience following our initial public offering, this number has remained relatively constant as a percentage of total customer count. In addition, we believe our ongoing disclosure of the number of customers in our G2K customer cohort does not capture the growth of our business because this metric does not reflect our expanding relationships with many of these large customers following an initial purchase. Moreover, while our product has been adopted at large, global and complex enterprise customers who are focused on digital transformation, a number of these may no longer be part of the Forbes Global 2000 list as a result of the annual updating of this list, whether as a result of acquisitions, rapid growth of newer companies or otherwise. We believe that the ongoing disclosure of the G2K customer cohort no longer provides meaningful information to investors of our stock that is not already reflected in our overall customer count. Therefore, we believe the G2K customer cohort is no longer a differentiating indicator of our growth. We do not plan to disclose the number of customers in the G2K customer cohort, or the percentage of total revenue generated from customers in the G2K customer cohort, in future filings.

The number of customers with greater than \$250,000 of annual recurring revenue was 353, 248 and 181 as of January 31, 2020, 2019 and 2018, respectively. While achieving and maintaining incremental sales to existing customers requires increasingly sophisticated and costly sales efforts, we believe the introduction of new solutions, features and functionality to our platform, and customers realizing benefits through their initial adoption of our platform, means we have significant opportunities to further expand the use of our platform by our existing customers as well as to attract additional large customers.

We regularly evaluate acquisitions or investment opportunities in complementary businesses, services and technologies and intellectual property rights as a means to expand our offerings through a disciplined and strategic acquisition process. For example, on October 3, 2019 we completed the acquisition of Mintigo Limited, an Israel-based artificial intelligence/machine learning company, to enhance the predictive capabilities of our solutions. We may continue to make such acquisitions and investments in the future, and we plan to reinvest a significant portion of our incremental revenue in future periods to grow our business and continue our leadership role in the Connected Planning category.

In December 2019, a novel strain of the coronavirus emerged resulting in a global pandemic with widespread and detrimental effect on the global economy. As governments across the world adopt mitigation and containment measures, we anticipate a cascading effect on the global economy that may in turn impact us. The extent of the impact of the coronavirus on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers and our sales cycles, impact on our customer, employee or industry events, travel restrictions and effect on our vendors, all of which are uncertain and cannot be predicted. For example, in response to the coronavirus epidemic, we have shifted certain of our customer events to virtual-only experiences and we may deem it advisable to similarly alter, postpone or cancel entirely additional customer, employee or industry events in the future. Due to our SaaS subscription model that allows us to deliver our services remotely, we have not identified a material impact to our ability to operate our business to date. However, because we generally recognize revenue from our customer contracts ratably over the term of the contract, changes in our contracting activity in the near term may not be apparent as a change to our reported revenue until future periods. The extent to which the coronavirus may impact our financial condition or results of operations is uncertain. We are continuing to monitor the situation and are reviewing our preparedness plans should we begin to experience material impacts.

Factors Affecting Our Performance

We believe that our future performance will depend on many factors, including those described below. While these areas present significant opportunity, they also present risks that we must manage to achieve successful results. See the section titled "Risk Factors". If we are unable to address these challenges, our business and operating results could be adversely affected.

Market adoption of our platform. Even though we believe Connected Planning is a strategic imperative for enterprises and that enables them to plan and execute digital transformations in today's rapidly changing business environment, it is at an early stage of adoption. Our long-term success will depend on widespread adoption of Connected Planning by enterprises for numerous planning applications with broad use of those applications within their organizations. While we believe that we are still in the early stages of penetrating our addressable market, we have benefited from rapid customer growth.

Customer First strategy. We put the success of our customers at the center of our culture, strategy, and investments. We view our Customer First strategy as core to capturing our Connected Planning vision and driving the continued adoption and expansion in the use of our platform. By aligning our thought leadership, worldwide development and delivery capabilities, and local sales and service resources, our Customer First strategy drives exceptional value throughout our customers' Connected Planning and digital transformation journeys. Our continued success depends in part on our ability to continue to put customers at the center of our strategy.

Expansion of existing customers. We employ a “land and expand” approach, with many of our customers initially deploying our product for a specific use case and group of users, and, once they realize the benefits and wide applicability of our platform, subsequently renewing subscriptions and expanding the number of users or use cases within and across lines of business and geographies as they continue unlocking the agile enterprise planning and operating model across functional boundaries. As a result, we are able to generate a significant increase in revenue from the expanded use of our platform across the enterprise. Going forward we are focused on our large customers where the opportunity for expansion and need for our planning solutions are greatest. Our future revenue growth and our ability to achieve and maintain profitability is dependent upon our ability to maintain existing customer relationships and to continue to expand our customers’ use of our platform.

Scaling our sales team. Our ability to achieve significant growth in revenue in the future will depend, in large part, upon the effectiveness of our sales efforts, both domestically and internationally. We have invested and intend to continue to invest aggressively in expanding and retaining our direct sales force, particularly in attracting and retaining sales personnel with experience selling to larger enterprises. We have hired, and expect to continue to hire significant numbers of sales personnel, and our ability to increase our revenue will depend on the new members of our sales force becoming fully productive and executing expeditiously. In the enterprise market, a customer’s decision to use our platform may be an enterprise-wide decision. These types of sales require us to provide greater levels of education regarding the use and benefits of our platform, which involves substantial time, effort, and costs. We anticipate that our headcount will continue to increase as a result of these investments.

International sales. Our revenue generated outside of the United States during fiscal 2020, 2019 and 2018, was approximately 43%, 43% and 41%, respectively, of our total revenue. We believe global demand for our platform will continue to increase as organizations experience the benefits that our platform can provide to international enterprises with complex planning needs spanning multiple geographies. Accordingly, we believe there is significant opportunity to grow our international business. We have invested, and plan to continue to invest, ahead of this potential demand in personnel, marketing, and access to data center capacity to support our international growth.

Partner ecosystem. Our partner ecosystem extends our geographic coverage, accelerates the usage and adoption of our platform, and enables more efficient delivery of service solutions. We intend to augment and deepen our partnerships with global and regional partners, including strategic and advisory consulting, systems integration, and technology firms. We believe our partners’ scale and route to market can significantly contribute to our ability to penetrate our addressable market, extend our geographic coverage, and extend usage and adoption of our platform.

Product velocity. We have invested and intend to continue to invest significantly in research and development in an effort to enhance and expand the functionality of our platform, to attract and retain development personnel, and to protect our market-leading technology advantage. We have a well-defined technology roadmap to introduce new features and functionality to our platform that we believe will improve our ability to generate revenue by broadening the appeal of our platform to potential new customers as well as increasing the opportunities for further expanding the use of our platform by existing customers. We are also investing to further enhance the user interface, functionality, and usability of our platform, including in machine learning and other artificial intelligence technologies, to further enhance the predictive capabilities of our platform. We will need to continue to focus on bringing cutting-edge technology to market in order to remain competitive.

Components of Results of Operations

Revenue

We offer subscriptions to our cloud-based planning platform. We derive our revenue primarily from subscription fees and, to a lesser degree, from professional services fees. Subscription revenue consists primarily of fees to provide our customers access to our cloud-based platform. Professional services revenue includes fees from assisting customers in implementing and optimizing the use of our cloud-based platform. These services include implementation, consulting, and training.

Subscription Revenue

Subscription revenue accounted for 88%, 87% and 85% of our total revenue for fiscal 2020, 2019 and 2018, respectively. Subscription revenue is driven primarily by the number of customers, the number of users at each customer, the price of user subscriptions, and renewal rates.

Subscription fees are recognized ratably as revenue over the contract term beginning on the date the platform is made available to the customer. Our new business subscriptions typically have a term of two to three years. We generally invoice our customers in annual installments at the beginning of each year within the subscription period. Amounts that have been invoiced are initially recorded as deferred revenue and are recognized ratably over the subscription period.

Most of our contracts are non-cancellable over the contract term. We had remaining performance obligations, or backlog, in the amount of \$656.2 million and \$440.0 million as of January 31, 2020 and 2019, respectively, consisting of both billed and unbilled consideration.

Because we recognize revenue from subscription fees ratably over the term of the contract, changes in our contracting activity in the near term may not impact our reported revenue until future periods.

Professional Services Revenue

Professional services revenue is generally recognized as the services are rendered for time and material contracts, or on a proportional performance basis for fixed price contracts. The substantial majority of our professional service contracts are on a time and materials basis. Implementations generally take one to six months to complete depending upon the scope of engagement with the customer. Our professional services revenue fluctuates from quarter to quarter as a result of the requirements, complexity, and timing of our customers' implementation projects.

Cost of Revenue

Cost of Subscription Revenue

Cost of subscription revenue primarily consists of costs related to providing cloud applications, compensation and other employee-related expenses for data center staff, payments to outside service providers, customer service, data center and networking expenses, depreciation expenses, and amortization of capitalized software development costs.

Cost of Professional Services Revenue

Cost of professional services revenue primarily consists of costs related to providing implementation and configuration services, optimization services and training services, personnel-related costs directly associated with our professional services and training departments, including salaries and bonuses, benefits, and stock-based compensation, the costs of contracted third-party vendors, and travel.

Professional services associated with the implementation and configuration of our subscription platform are performed directly by our services team, as well as by contracted third-party vendors. When third-party vendors invoice us for services performed for our customers, those fees are recognized as expense over the requisite service period.

Operating Expenses

Research and Development

Research and development expenses consist primarily of personnel-related costs for our development team, including salaries and bonuses, benefits, stock-based compensation expense, and allocated overhead costs. We have invested, and intend to continue to invest, in developing technology to support our growth. We capitalize certain software development costs that are attributable to developing new features and adding incremental functionality to our platform, and amortize such costs as costs of subscription revenue over the estimated life of the new incremental functionality, which is generally two to three years. We plan to increase our investment in research and development for the foreseeable future as we focus on further developing our platform and enhancing its use cases. However, we expect our research and development expenses to decrease as a percentage of our total revenue over time, although they may fluctuate as a percentage of our total revenue from period to period.

Sales and Marketing

Sales and marketing expenses consist primarily of personnel-related costs directly associated with our sales and marketing staff, including salaries and bonuses, benefits, commissions, and stock-based compensation. Other sales and marketing costs include promotional events to promote our brand, including our Anaplan Connected Planning Xperience (CPX) user conferences, advertising, and allocated overhead. We plan to increase our investment in sales and marketing over the foreseeable future, primarily stemming from increased headcount in sales and marketing, and investment in brand- and product-marketing efforts. However, we expect our sales and marketing expenses to decrease as a percentage of our total revenue over time, although they may fluctuate as a percentage of our total revenue from period to period.

General and Administrative

General and administrative expenses consist primarily of personnel-related costs associated with our executive, finance, legal, and human resources personnel, including salaries and bonuses, benefits, and stock-based compensation expense, professional fees for external legal, accounting and other consulting services, and allocated overhead costs. We expect to increase the size of our general and administrative function to support the growth of our business and to take advantage of the large opportunity we see in front of us. We continue to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a U.S. securities exchange and costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC. As a result, we expect the dollar amount of our general and administrative expenses to increase for the foreseeable future. However, we expect our general and administrative expenses to decrease as a percentage of our total revenue over time, although they may fluctuate as a percentage of our total revenue from period to period.

Interest Income, Net

Interest income, net consists primarily of interest income earned on our cash and cash equivalents.

Other Income (Expense), Net

Other income (expense), net consists primarily of foreign exchange gains and losses.

Provision for Income Taxes

Provision for income taxes consists primarily of income taxes related to foreign and state jurisdictions in which we conduct business. We maintain a full valuation allowance on our federal, state, and U.K. deferred tax assets as we have concluded that it is not more likely than not that the deferred assets will be utilized.

Results of Operations

The following tables set forth selected consolidated statements of operations data for each of the periods indicated:

	Year Ended January 31,		
	2020	2019	2018
	(In thousands)		
Revenue:			
Subscription revenue	\$ 307,890	\$ 208,605	\$ 143,542
Professional services revenue	40,132	32,037	24,805
Total revenue	348,022	240,642	168,347
Cost of revenue:			
Cost of subscription revenue (1)	51,460	36,500	19,927
Cost of professional services revenue (1)	39,317	30,898	32,058
Total cost of revenue	90,777	67,398	51,985
Gross profit	257,245	173,244	116,362
Operating expenses:			
Research and development (1)	68,396	48,998	30,908
Sales and marketing (1)	250,430	176,323	100,654
General and administrative (1)	86,852	76,186	30,719
Total operating expenses	405,678	301,507	162,281
Loss from operations	(148,433)	(128,263)	(45,919)
Interest income, net	4,478	1,921	108
Other income (expense), net	(809)	(1,465)	(482)
Loss before income taxes	(144,764)	(127,807)	(46,293)
Provision for income taxes	(4,453)	(3,209)	(1,261)
Net loss	\$ (149,217)	\$ (131,016)	\$ (47,554)

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

Cost of subscription revenue	\$ 2,547	\$ 831	\$ 148
Cost of professional services revenue	2,199	851	507
Research and development	10,608	3,826	742
Sales and marketing	34,428	15,475	3,496
General and administrative	30,264	31,823	3,746
Total stock-based compensation expense	\$ 80,046	\$ 52,806	\$ 8,639

Fiscal Year 2020 Compared to Fiscal Year 2019

Revenue

	Year Ended January 31,		% Change
	2020	2019	
	(In thousands)		
Subscription revenue	\$ 307,890	\$ 208,605	48 %
Professional services revenue	40,132	32,037	25
Total revenue	\$ 348,022	\$ 240,642	45

Total revenue was \$348.0 million in fiscal 2020 compared to \$240.6 million in fiscal 2019, an increase of \$107.4 million, or 45%.

Subscription revenue was \$307.9 million, or 88% of total revenue, in fiscal 2020, compared to \$208.6 million, or 87% of total revenue, in fiscal 2019. The increase of \$99.3 million, or 48%, in subscription revenue was primarily driven by the existing customers expanding their use of our platform,

which accounted for 78% of the increase, and acquisition of new customers, which accounted for approximately 22% of the increase.

Professional services revenue was \$40.1 million in fiscal 2020 compared to \$32.0 million in fiscal 2019. The increase of \$8.1 million, or 25%, in professional services revenue was primarily driven by sales of our professional services resulting from the growth of our customer base. This also represents a continued decline in professional services revenue as a percentage of total revenue from 13% to 12% primarily due to our strategy of shifting professional services revenue to the members of our growing partner ecosystem.

Cost of Revenue

	Year Ended January 31,		% Change
	2020	2019	
	(In thousands)		
Cost of subscription revenue	\$ 51,460	\$ 36,500	41 %
Cost of professional services revenue	39,317	30,898	27
Total cost of revenue	<u>\$ 90,777</u>	<u>\$ 67,398</u>	35

Total cost of revenue was \$90.8 million in fiscal 2020 compared to \$67.4 million in fiscal 2019, an increase of \$23.4 million, or 35%.

Cost of subscription revenue was \$51.5 million in fiscal 2020 compared to \$36.5 million in fiscal 2019, an increase of \$15.0 million, or 41%. The increase in cost of subscription revenue was primarily due to an increase in salary and bonuses, and benefits costs related to an increase in headcount of \$6.1 million, including stock-based compensation, an increase in amortization of our equipment leases of \$4.0 million, and an increase in amortization of capitalized software development costs of \$2.3 million.

Cost of professional services revenue was \$39.3 million in fiscal 2020 compared to \$30.9 million in fiscal 2019, an increase of \$8.4 million, or 27%. The increase in cost of professional services revenue was primarily due to an increase in the partner implementation costs related to an increase in use of partners of \$4.0 million, and an increase in salary and bonuses and benefits costs of \$3.9 million, including stock-based compensation.

Gross Profit and Gross Margin

	Year Ended January 31,		% Change
	2020	2019	
	(In thousands)		
Subscription gross profit	\$ 256,430	\$ 172,105	49 %
Professional services gross profit	815	1,139	(28)
Total gross profit	<u>\$ 257,245</u>	<u>\$ 173,244</u>	48
Subscription gross margin	83%	83%	
Professional services gross margin	2%	4%	
Total gross margin	74%	72%	

Gross profit was \$257.2 million in fiscal 2020 compared to \$173.2 million in fiscal 2019, an increase of \$84.0 million, or 48%. The increase in gross profit was the result of the increases in our subscription revenue primarily driven by the acquisition of new customers and existing customers expanding their use of our platform in fiscal 2020.

Gross margin was 74% in fiscal 2020 compared to 72% in fiscal 2019. The increase in gross margin was primarily due to the increase in subscription revenue, which generates a significantly higher gross margin than our professional services revenue, as a percentage of total revenue, partially offset by a slight decrease in our professional services gross margins. Our gross margins can fluctuate from quarter to quarter as a result of the requirements, complexity, and timing of our customers' implementation projects that can vary significantly.

Operating Expenses

	Year Ended January 31,		% Change
	2020	2019	
	(In thousands)		
Operating expense:			
Research and development	\$ 68,396	\$ 48,998	40 %
Sales and marketing	250,430	176,323	42
General and administrative	86,852	76,186	14
Total operating expenses	<u>\$ 405,678</u>	<u>\$ 301,507</u>	35

Research and Development

Research and development expenses were \$68.4 million in fiscal 2020 compared to \$49.0 million in fiscal 2019, an increase of \$19.4 million, or 40%. The increase was primarily due to an increase in salary and bonuses, and benefits costs related to an increase in headcount of \$20.3 million, including an increase in stock-based compensation of \$6.8 million, and an increase in expenses relating to hosting and software licenses of \$2.3 million, partially offset by an increase in capitalized software development costs of \$5.5 million and a decrease in consulting spend of \$1.6 million.

Sales and Marketing

Sales and marketing expenses were \$250.4 million in fiscal 2020 compared to \$176.3 million in fiscal 2019, an increase of \$74.1 million, or 42%. The increase was primarily due to an increase in salary and bonuses, and benefits costs related to an increase in headcount of \$64.4 million, including an increase in stock-based compensation of \$19.0 million, and an increase in commission expenses of \$8.5 million.

General and Administrative

General and administrative expenses were \$86.9 million in fiscal 2020 compared to \$76.2 million in fiscal 2019, an increase of \$10.7 million, or 14%. The increase was primarily due to an increase in salary and bonuses, and benefits costs related to an increase in headcount of \$7.5 million, including a decrease in stock-based compensation of \$1.6 million primarily related to restricted stock units (RSUs) being recognized upon completion of our IPO in fiscal 2019, and an increase in insurance spend of \$1.9 million.

Other Income (Expense), Net

	Year Ended January 31,		% Change
	2020	2019	
	(In thousands)		
Interest income, net	\$ 4,478	\$ 1,921	133 %
Other income (expense), net	(809)	(1,465)	(45)

Interest Income, net

Interest income, net increased by \$2.6 million, or 133%, in fiscal 2020. The increase in interest income, net was primarily due to higher average cash and cash equivalents balances in fiscal 2020 compared to fiscal 2019.

Other Income (Expense), net

Other income (expense), net was a loss of \$0.8 million in fiscal 2020 compared to a loss of \$1.5 million in fiscal 2019, a decrease of \$0.7 million, or 45%. The change was primarily due to currency fluctuations and the related remeasurements during the periods, primarily related to our U.K. operations.

Provision for Income Taxes

	Year Ended January 31,		% Change
	2020	2019	
	(In thousands)		
Provision for income taxes	\$ 4,453	\$ 3,209	39 %

The provision for income taxes was \$4.5 million in fiscal 2020 compared to \$3.2 million in fiscal 2019, an increase of \$1.3 million, or 39%. The increase in provision for income taxes was primarily related to increased income generated from intercompany cost-plus arrangements in certain European and Asian countries.

Quarterly Financial Data

The following tables set forth selected unaudited quarterly consolidated statements of operations data for each of the eight quarters in fiscal 2020 and 2019. The information for each of these eight quarters has been prepared on the same basis as the audited annual consolidated financial statements included elsewhere in this Annual Report on Form 10-K and, in the opinion of management, includes all adjustments, which consist only of normal recurring adjustments, necessary for the fair presentation of the results of operations for these periods in accordance with generally accepted accounting principles, or GAAP.

This data should be read in conjunction with our audited consolidated financial statements and related notes included elsewhere in this Annual Report on Form 10-K. These quarterly operating results are not necessarily indicative of our operating results for a full year or any future period.

	Three Months Ended							
	April 30, 2018	July 31, 2018	October 31, 2018	January 31, 2019	April 30, 2019	July 31, 2019	October 31, 2019	January 31, 2020
	(in thousands, except per share data)							
Total revenue	\$ 51,550	\$ 57,828	\$ 62,014	\$ 69,250	\$ 75,830	\$ 84,540	\$ 89,410	\$ 98,242
Gross profit	\$ 37,518	\$ 41,869	\$ 44,769	\$ 49,088	\$ 54,253	\$ 62,033	\$ 66,926	\$ 74,033
Loss from operations	\$ (25,306)	\$ (19,948)	\$ (50,326)	\$ (32,683)	\$ (37,109)	\$ (41,207)	\$ (32,524)	\$ (37,593)
Net loss	\$ (26,181)	\$ (21,048)	\$ (51,231)	\$ (32,556)	\$ (37,191)	\$ (40,642)	\$ (34,701)	\$ (36,683)
Net loss per share, basic and diluted	\$ (1.21)	\$ (0.90)	\$ (1.11)	\$ (0.27)	\$ (0.30)	\$ (0.31)	\$ (0.26)	\$ (0.27)

Liquidity and Capital Resources

As of January 31, 2020, our principal sources of liquidity were cash and cash equivalents totaling \$309.9 million, which were held for working capital purposes. Our cash equivalents are comprised primarily of bank deposits.

We believe our existing cash and cash equivalents will be sufficient to meet our projected operating requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including our pace of growth, subscription renewal activity, the timing and extent of spend to support research and development efforts, the expansion of sales and marketing activities, the introduction of new and enhanced platform offerings, and the continuing market acceptance of the platform. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies, and intellectual property rights. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results, and financial condition would be adversely affected.

Loan and Credit Facility Agreements

In April 2018, we entered into a syndicated loan agreement with Wells Fargo to provide a secured revolving credit facility that allows us to borrow up to \$40.0 million, subject to an accounts receivable borrowing base, for general corporate purposes through April 2020. Any advances drawn on the credit facility will incur interest at a rate equal to (i) the highest of (A) the prime rate, (B) the federal funds rate plus 0.5% and (C) one-month LIBOR plus 1% less (ii) 0.5%. Interest is payable monthly in arrears with

the principal and any accrued and unpaid interest due on April 30, 2020. As of January 31, 2020, the Company had not drawn down any amounts under this agreement.

We granted Wells Fargo a first priority lien in our accounts receivable, all of the issued shares of capital stock and equity interests of our subsidiaries, and other corporate assets and agreed not to pledge our intellectual property to other parties. The loan agreement includes affirmative and negative covenants, including financial covenants requiring: (i) maintenance at all times of minimum tangible net worth, defined as assets, excluding intangible assets, less liabilities of not less than \$1; and (ii) maintenance at all times of a ratio of (A) the aggregate of our cash, cash equivalents and net accounts receivable to (B) total current liabilities less current deferred revenue plus revolving credit loans drawn under the loan agreement of not less than \$1.50 to \$1.00. This syndicated loan agreement was subsequently amended in September 2018 and October 2019. As of January 31, 2020, we were in compliance with all covenants associated with the credit facility.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Year Ended January 31,		
	2020	2019	2018
	(In thousands)		
Net cash used in operating activities	\$ (14,405)	\$ (45,853)	\$ (14,501)
Net cash used in investing activities	(48,506)	(22,519)	(15,366)
Net cash provided by financing activities	46,506	279,923	64,724

Operating Activities

Net cash used in operating activities of \$14.4 million for fiscal 2020 was primarily due to a net loss of \$149.2 million, partially offset by non-cash charges for stock-based compensation of \$80.0 million, depreciation and amortization of \$20.3 million, amortization of deferred commissions of \$20.5 million, reduction of operating lease right-of-use assets and accretion of operating lease liabilities of \$10.7 million and loss on disposal of property and equipment of \$0.6 million. Changes in working capital were favorable to cash flows from operations by \$2.6 million primarily due to an increase in deferred revenue balance of \$67.5 million due to increases in sales, and an increase in accounts payable and accrued expenses of \$19.6 million due to our growth and the timing of payments, partially offset by an increase in deferred commissions of \$54.0 million related to increases in our sales, payments for operating lease liabilities of \$10.4 million, an increase in accounts receivable, net of \$15.8 million due to increased customer billings, and an increase in prepaid expenses and other current assets of \$4.3 million.

Net cash used in operating activities of \$45.9 million for fiscal 2019 was primarily due to a net loss of \$131.0 million, partially offset by non-cash charges for stock-based compensation of \$52.8 million, depreciation and amortization of \$12.9 million, amortization of deferred commissions of \$11.7 million, and loss on disposal of property and equipment of \$0.6 million. Changes in working capital were favorable to cash flows from operations by \$7.1 million primarily due to an increase in the deferred revenue balance of \$52.6 million due to increases in sales, and an increase in accounts payable and accrued expenses of \$15.5 million due to our growth, partially offset by an increase in deferred commissions of \$32.8 million, and increases in accounts receivable, net of \$28.5 million.

Investing Activities

Net cash used in investing activities for fiscal 2020 of \$48.5 million was related to the net cash payment of \$33.5 million for our acquisition of Mintigo, the capitalization of internal-use software of \$11.0 million as we expanded our platform and increased our development efforts, and purchases of property and equipment of \$4.0 million related to our growth.

Net cash used in investing activities for fiscal 2019 of \$22.5 million was related to purchases of property and equipment of \$15.1 million related to our growth and the capitalization of internal-use software of \$7.4 million as we expanded our platform and increased our development efforts.

Financing Activities

Net cash provided by financing activities for fiscal 2020 of \$46.5 million consisted primarily of \$21.9 million in proceeds from the exercise of stock options, \$11.5 million from the repayment of promissory notes, and \$18.6 million in proceeds from sales of stock under our employee stock purchase plan, partially offset by \$5.4 million principal payment on finance lease obligations.

Net cash provided by financing activities for fiscal 2019 of \$279.9 million consisted primarily of proceeds of \$301.8 million from our IPO and concurrent private placement, \$6.2 million in proceeds from the exercise of stock options, and \$1.9 million from the repayment of promissory notes, partially offset by \$28.4 million taxes paid related to net share settlement of equity awards, and \$1.6 million principal payment on capital lease obligations.

Commitments and Contractual Obligations

The following table summarizes our non-cancelable contractual obligations as of January 31, 2020:

	Total	Payments Due by Period			
		Less Than 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years
			(In thousands)		
Operating lease obligations, including imputed interest	\$ 49,256	\$ 9,077	\$ 16,021	\$ 14,605	\$ 9,553
Finance lease obligations, including imputed interest	15,102	7,639	7,463	—	—
Non-cancellable purchase obligations	31,385	14,772	14,958	1,655	—
Total	\$ 95,743	\$ 31,488	\$ 38,442	\$ 16,260	\$ 9,553

The contractual commitment amounts in the table above are associated with agreements that are enforceable and legally binding. Obligations under contracts that we can cancel without a significant penalty are not included in the table above. Purchase orders issued in the ordinary course of business are not included in the table above, as these purchase orders represent authorizations to purchase rather than binding agreements and are generally fulfilled within short time periods.

Off-Balance Sheet Arrangements

Through January 31, 2020, we did not have any relationships with unconsolidated organizations or financial partnerships, such as structured finance or special purpose entities that would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Critical Accounting Policies and Estimates

Our consolidated financial statements have been prepared in accordance with U.S. GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe are reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Actual results may differ from these estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected.

Revenue Recognition

We recognize revenue from contracts with customers using the five-step method described in Note 1 of the notes to our consolidated financial statements included elsewhere in this Form 10-K. At contract inception we evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. We

combine contracts entered into at or near the same time with the same customer if we determine that the contracts are negotiated as a package with a single commercial objective; the amount of consideration to be paid in one contract depends on the price or performance of the other contract; or the services promised in the contracts are a single performance obligation.

Our performance obligations consist of (i) subscription and support services and (ii) professional and other services. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on their relative standalone selling price. We determine standalone selling price, or SSP, for all our performance obligations using observable inputs, such as standalone sales and historical contract pricing. SSP is consistent with our overall pricing objectives, taking into consideration the type of subscription services and professional and other services. SSP also reflects the amount we would charge for that performance obligation if it were sold separately in a standalone sale, and the price we would sell to similar customers in similar circumstances.

In general, we satisfy the majority of our performance obligations over time as we transfer the promised services to our customers. We review the contract terms and conditions to evaluate the timing and amount of revenue recognition; the related contract balances; and our remaining performance obligations. We also estimate the number of hours expected to be incurred based on an expected hours approach that considers historical hours incurred for similar projects based on the types and sizes of customers. These evaluations require significant judgment that could affect the timing and amount of revenue recognized.

Deferred Commissions

We capitalize sales commissions that are considered to be incremental to the acquisition of customer contracts, which are then amortized over an estimated period of benefit. To determine the period of benefit of our deferred commissions, we evaluate the type of costs incurred, the nature of the related benefit, and the specific facts and circumstances of our arrangements. We determine the period of benefit for commissions paid for the acquisition of the initial subscription contract by taking into consideration our historical initial and renewal contractual terms, estimated renewal rates, and the technological life of the platform and related significant features. We determine the period of benefit for commissions on renewal subscription contracts by considering the average contractual term for renewal contracts. We evaluate these assumptions at least annually and periodically review whether events or changes in circumstances have occurred that could impact the period of benefit.

Business Combinations, Goodwill, and Acquisition-Related Intangible Assets

Accounting for business combinations requires us to make significant estimates and assumptions. We use our best estimates and assumptions to accurately allocate the purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values, with the excess recorded to goodwill. Critical estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows, expected asset lives, and discount rates. The amounts and useful lives assigned to acquisition-related intangible assets impact the amount and timing of future amortization expense.

We use estimates, assumptions, and judgments when assessing the recoverability of goodwill and acquisition-related intangible assets. We test for impairment on an annual basis, or more frequently if a significant event or circumstance indicates impairment. We also evaluate the estimated remaining useful lives of acquisition-related intangible assets for changes in circumstances that warrant a revision to the remaining periods of amortization.

Stock-Based Compensation

Stock-based compensation expense is measured based on the fair value of the awards granted, and recognized in the consolidated financial statements over the requisite service period, for stock options, RSUs, and stock purchase rights (SPRs), and over the offering period for purchase rights issued under the 2018 Employee Stock Purchase Plan (ESPP).

We recognize compensation expense net of estimated forfeiture activity, which is based on historical forfeiture rates. We evaluate the forfeiture rates at least annually or when events or circumstances indicate a change may be needed.

Stock Options

The fair value of a stock option is estimated on the grant date using the Black-Scholes option-pricing model. Stock-based compensation expense is recognized, net of forfeitures, on a straight-line basis over the requisite service periods of the awards, which is generally four years.

Our use of the Black-Scholes option-pricing model requires the input of highly subjective assumptions, including the fair value of our underlying common stock, expected term of the option, expected volatility of the price of our common stock, risk-free interest rates, and the expected dividend yield of our common stock. The assumptions used in our option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our stock-based compensation expense could be materially different in the future.

These assumptions and estimates are as follows:

- **Fair Value of Common Stock.** Prior to our IPO, our board of directors determined the fair value of our common stock using various valuation methodologies, including valuation analyses performed by third-party valuation firms. After our IPO, we use the publicly quoted market closing price as reported on the New York Stock Exchange as the fair value of our common stock.
- **Risk-Free Interest Rate.** We base the risk-free interest rate for the expected term of the options on the U.S. Treasury yield curve in effect at the time of the grant.
- **Expected Term.** We determine the expected term using the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award, as we do not have sufficient historical data relating to stock-option exercises.
- **Expected Volatility.** As there was no public market for our common stock prior to our IPO, we have limited information on the volatility of our common stock. Accordingly, the expected volatility for our common stock was estimated by taking the average historic price volatility for industry peers, consisting of several public companies in our industry which are either similar in size, stage of life cycle or financial leverage, over a period equivalent to the expected term of the awards.
- **Expected Dividend Yield.** We have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. As a result, we use an expected dividend yield of zero.

The Black-Scholes assumptions used in evaluating our awards are as follows:

	Year Ended January 31,		
	2020	2019	2018
Risk-free interest rate	1.51% - 2.54%	2.68% - 3.00%	1.88% - 2.54%
Expected term (years)	5.07 - 6.25	6.06 - 6.26	6.08
Expected volatility	37.5% - 38.8%	37.0% - 37.8%	38.0% - 41.6%
Dividend yield	—	—	—

We will continue to use judgment in evaluating the assumptions related to our stock-based compensation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may have refinements to our estimates, which could materially impact our future stock-based compensation expense.

Restricted Stock Units

RSUs granted under the 2012 Stock Plan (2012 Plan) vest upon the satisfaction of both a service condition and a liquidity condition. Both the service and liquidity conditions must be met for the expense to be recognized. The liquidity condition was satisfied upon the IPO, and we recognized an expense of \$29.9 million in the three months ended October 31, 2018 for the portion of the RSUs that had met the service condition as of such date. Expense related to these RSUs is recognized using the tranche-by-tranche method.

RSUs granted under the 2018 Equity Incentive Plan (2018 Plan) vest solely upon the satisfaction of a service condition. Expense related to these RSUs is recognized using the accelerated attribution method.

As of January 31, 2020, unrecognized stock-based compensation cost related to outstanding unvested RSUs that are expected to vest was \$153.4 million, which is expected to be recognized over a weighted-average period of 3.15 years.

Recent Accounting Pronouncements

See "Summary of Business and Significant Accounting Policies" in Note 1 of the notes to our consolidated financial statements included in Part II, Item 8 of this Form 10-K.

ITEM 7A. Quantitative and Qualitative Disclosures about Market Risk

Foreign Currency Exchange Risk

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the British Pound Sterling, Euro, and Singapore Dollar. Impacts to our operations from changes in foreign currency have been fairly limited to date and thus we have not instituted a hedging program. We expect our international operations to continue to grow in the near term and we will monitor our foreign currency exposure to determine when we should begin a hedging program. A majority of our agreements have been and we expect will continue to be denominated in U.S. dollars. A hypothetical 10% increase or decrease in the relative value of the U.S. dollar to other currencies would not have had a material effect on operating results for fiscal 2020, 2019 and 2018.

Interest Rate Sensitivity

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. As of January 31, 2020, we had cash and cash equivalents of \$309.9 million, which consisted primarily of bank deposits. Such interest-earning instruments carry a degree of interest rate risk; however, historical fluctuations of interest income have not been significant. We have not been exposed nor do we anticipate being exposed to material risks due to changes in interest rates. A hypothetical 10% change in interest rates would not have had a material impact on our operating results for fiscal 2020, 2019 and 2018.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The supplementary financial information required by this Item 8 is included in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Quarterly Financial Data" in Item 7 of this Annual Report on Form 10-K and is incorporated herein by reference.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Anaplan, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Anaplan, Inc. and subsidiaries (the Company) as of January 31, 2020 and 2019, the related consolidated statements of comprehensive loss, stockholders' equity, and cash flows for each of the years in the three-year period ended January 31, 2020, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of January 31, 2020, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2020 and 2019, and the results of its operations and its cash flows for each of the years in the three-year period ended January 31, 2020, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 31, 2020 based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Change in Accounting Principle

As discussed in Note 1 to the consolidated financial statements, the Company has changed its method of accounting for leases as of February 1, 2019 due to the adoption of Accounting Standards Codification Topic 842, *Leases*.

Basis for Opinions

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included

performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

Critical Audit Matter

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

Evaluation of the amortization period for capitalized sales commissions

As discussed in Note 1 to the consolidated financial statements, the Company capitalizes sales commissions related to the acquisition of customer contracts and amortizes them over the estimated period of benefit. In determining the period of benefit, the Company considers inputs including the historical initial and renewal contractual terms, estimated renewal rates, and the technological life of the platform. The Company estimated the period of benefit for the initial acquisition of a contract to be five years. The Company amortized \$20.5 million of capitalized sales commissions during the year ended January 31, 2020 and had \$83.9 million of sales commissions capitalized as of January 31, 2020.

We identified the evaluation of the amortization period for capitalized sales commissions related to the acquisition of customer contracts as a critical audit matter. Evaluating the Company's judgments to determine the estimated period of benefit based on key inputs involved a high degree of subjective auditor judgment.

The primary procedures we performed to address this critical audit matter included the following. We tested certain internal controls related to the capitalized sales commission process. In particular, we tested controls over the development of the estimated period of benefit, including determination of the key inputs and periodic re-assessment of the period of benefit. We compared the Company's historical initial and renewal contractual terms and the estimated renewal rates to historical experience with customer contracts. We evaluated the technological life of the platform used in the analysis against the Company's amortization period for internally-developed software. We evaluated

the Company's selection of key inputs used in the consideration of the estimated period of benefit based on the relevance of those inputs. We evaluated the Company's estimated period of benefit based on the Company's historical experience with customer contracts, future expectations of customer life, and the estimated technological life of the platform to which the services provided to customers relate.

/s/ KPMG LLP

We have served as the Company's auditor since 2013.

San Francisco, California
March 30, 2020

ANAPLAN, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	As of January 31,	
	2020	2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 309,894	\$ 326,863
Accounts receivable, net of allowances for doubtful accounts of \$996 and \$842 as of January 31, 2020 and 2019, respectively	109,217	92,597
Deferred commissions, current portion	25,990	15,827
Prepaid expenses and other current assets	17,814	13,377
Total current assets	462,915	448,664
Property and equipment, net	48,639	43,340
Deferred commissions, net of current portion	57,947	35,063
Goodwill	32,379	—
Operating lease right-of-use assets	37,875	—
Other noncurrent assets	10,052	1,702
TOTAL ASSETS	\$ 649,807	\$ 528,769
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,331	\$ 6,182
Accrued expenses	79,024	52,570
Deferred revenue, current portion	216,059	149,611
Operating lease liabilities, current portion	7,278	—
Total current liabilities	307,692	208,363
Deferred revenue, net of current portion	4,149	1,232
Operating lease liabilities, net of current portion	34,017	—
Other noncurrent liabilities	12,268	11,696
TOTAL LIABILITIES	358,126	221,291
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, par value of \$0.0001 per share; 25,000 shares authorized as of January 31, 2020 and 2019; no shares issued and outstanding as of January 31, 2020 and 2019	—	—
Common stock, par value of \$0.0001 per share; 1,750,000 shares authorized as of January 31, 2020 and 2019; 135,495 and 126,246 shares issued and outstanding as of January 31, 2020 and 2019, respectively	13	12
Accumulated other comprehensive loss	(4,326)	(3,036)
Additional paid-in capital	788,447	653,738
Accumulated deficit	(492,453)	(343,236)
TOTAL STOCKHOLDERS' EQUITY	291,681	307,478
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 649,807	\$ 528,769

The accompanying notes are an integral part of these consolidated financial statements.

ANAPLAN, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands, except per share data)

	Year Ended January 31,		
	2020	2019	2018
Revenue:			
Subscription revenue	\$ 307,890	\$ 208,605	\$ 143,542
Professional services revenue	40,132	32,037	24,805
Total revenue	348,022	240,642	168,347
Cost of revenue:			
Cost of subscription revenue	51,460	36,500	19,927
Cost of professional services revenue	39,317	30,898	32,058
Total cost of revenue	90,777	67,398	51,985
Gross profit	257,245	173,244	116,362
Operating expenses:			
Research and development	68,396	48,998	30,908
Sales and marketing	250,430	176,323	100,654
General and administrative	86,852	76,186	30,719
Total operating expenses	405,678	301,507	162,281
Loss from operations	(148,433)	(128,263)	(45,919)
Interest income, net	4,478	1,921	108
Other income (expense), net	(809)	(1,465)	(482)
Loss before income taxes	(144,764)	(127,807)	(46,293)
Provision for income taxes	(4,453)	(3,209)	(1,261)
Net loss	(149,217)	(131,016)	(47,554)
Comprehensive income (loss):			
Foreign currency translation adjustments	(1,290)	(1,054)	846
Comprehensive loss	\$ (150,507)	\$ (132,070)	\$ (46,708)
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.15)	\$ (2.46)	\$ (2.51)
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	129,799	53,328	18,956

The accompanying notes are an integral part of these consolidated financial statements.

ANAPLAN, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance at January 31, 2017	68,155	\$ 7	28,627	\$ 2	\$ 252,229	\$ (2,828)	\$ (164,666)	\$ 84,744
Issuance of Series F convertible preferred stock, net of issuance costs of \$119	5,455	—	—	—	59,881	—	—	59,881
Stock-based compensation	—	—	—	—	8,802	—	—	8,802
Repayment of promissory notes, net of early exercises	—	—	—	—	1,534	—	—	1,534
Repurchase of restricted common stock	—	—	(950)	—	—	—	—	—
Exercise of stock options, net of repurchases and early exercises	—	—	2,270	1	3,309	—	—	3,310
Net loss	—	—	—	—	—	—	(47,554)	(47,554)
Foreign currency translation adjustments	—	—	—	—	—	846	—	846
Other	—	—	—	—	76	—	—	76
Balance at January 31, 2018	73,610	\$ 7	29,947	\$ 3	\$ 325,831	\$ (1,982)	\$ (212,220)	\$ 111,639
Conversion of Series B convertible preferred stock	(4)	—	4	—	—	—	—	—
Issuance of common stock upon initial public offering, net of issuance costs	—	—	19,001	2	295,284	—	—	295,286
Conversion of preferred stock	(73,606)	(7)	73,606	7	—	—	—	—
Stock-based compensation	—	—	—	—	53,385	—	—	53,385
Repayment of promissory notes, net of early exercises	—	—	—	—	1,603	—	—	1,603
Exercise of stock options, net of repurchases and early exercises	—	—	2,482	—	6,020	—	—	6,020
Exercise of warrants	—	—	24	—	37	—	—	37
Vesting and settlement of restricted stock units	—	—	1,182	—	—	—	—	—
Taxes paid related to net share settlement of equity awards	—	—	—	—	(28,422)	—	—	(28,422)
Net loss	—	—	—	—	—	—	(131,016)	(131,016)
Foreign currency translation adjustments	—	—	—	—	—	(1,054)	—	(1,054)
Balance at January 31, 2019	—	—	126,246	12	\$ 653,738	\$ (3,036)	\$ (343,236)	\$ 307,478
Stock-based compensation	—	—	—	—	82,355	—	—	82,355
Repayment of promissory notes, net of early exercises	—	—	—	—	11,813	—	—	11,813
Exercise of stock options, net of repurchases and early exercises	—	—	4,619	1	21,976	—	—	21,977
Vesting of restricted stock units	—	—	3,454	—	—	—	—	—
Issuance of common stock under employee stock purchase plan	—	—	1,176	—	18,565	—	—	18,565
Net loss	—	—	—	—	—	—	(149,217)	(149,217)
Foreign currency translation adjustments	—	—	—	—	—	(1,290)	—	(1,290)
Balance at January 31, 2020	—	\$ —	135,495	\$ 13	\$ 788,447	\$ (4,326)	\$ (492,453)	\$ 291,681

The accompanying notes are an integral part of these consolidated financial statements.

ANAPLAN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended January 31,		
	2020	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss	\$ (149,217)	\$ (131,016)	\$ (47,554)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	20,341	12,937	7,399
Amortization of deferred commissions	20,508	11,709	7,409
Stock-based compensation	80,046	52,806	8,639
Reduction of operating lease right-of-use assets and accretion of operating lease liabilities	10,748	—	—
Loss on disposal of property and equipment	597	582	71
Changes in operating assets and liabilities:			
Accounts receivable, net	(15,833)	(28,542)	(9,982)
Prepaid expenses and other current assets	(4,266)	(1,439)	(5,853)
Other noncurrent assets	(1,419)	702	(1,176)
Deferred commissions	(53,978)	(32,813)	(14,765)
Accounts payable and accrued expenses	19,550	15,544	8,948
Deferred revenue	67,478	52,604	32,413
Payments for operating lease liabilities	(10,435)	—	—
Other noncurrent liabilities	1,475	1,073	(50)
Net cash used in operating activities	(14,405)	(45,853)	(14,501)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(3,991)	(15,122)	(9,565)
Capitalized internal-use software	(11,023)	(7,397)	(5,801)
Business combinations, net of acquired cash	(33,492)	—	—
Net cash used in investing activities	(48,506)	(22,519)	(15,366)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from initial public offering, net of underwriting discounts and commissions	—	281,813	—
Proceeds from issuance of common stock in private placement	—	20,000	—
Proceeds from issuance of preferred stock, net of issuance costs	—	—	59,881
Proceeds from exercise of stock options	21,859	6,209	3,309
Proceeds from repayment of promissory notes	11,526	1,914	1,534
Proceeds from employee stock purchase plan	18,565	—	—
Payment of exercise of warrants	—	37	—
Taxes paid related to net share settlement of equity awards	—	(28,422)	—
Principal payments on finance lease obligations	(5,444)	(1,628)	—
Net cash provided by financing activities	46,506	279,923	64,724
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(564)	(1,714)	1,264
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(16,969)	209,837	36,121
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of period	326,863	117,026	80,905
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - End of period	\$ 309,894	\$ 326,863	\$ 117,026
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:			
Cash paid for interest	\$ 826	\$ 279	\$ 5
Cash paid for income taxes	\$ 945	\$ 582	\$ 445
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:			
Purchases of property and equipment included in liabilities	\$ 1,331	\$ 1,435	\$ (724)
Finance leases for property and equipment	\$ 7,232	\$ 12,600	\$ —
Deferred offering costs not paid	\$ —	\$ 213	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of Business and Significant Accounting Policies

Description of Business

Anaplan, Inc. (the Company or Anaplan) was incorporated in Delaware on July 9, 2009 and is headquartered in San Francisco, California, with offices in multiple U.S. and international locations.

The Company provides a cloud-based connected planning platform that helps connect organizations and people to make better and faster decisions. The Company delivers its application over the Internet as a subscription service using a software-as-a-service (SaaS) model. The Company also offers professional services related to implementing and supporting its application.

Fiscal Year

The Company's fiscal year ends on January 31. References to fiscal 2020, for example, refer to the fiscal year ended January 31, 2020.

Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and include the accounts of the Company and its wholly owned subsidiaries (collectively, the Company). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Such estimates include, but are not limited to, the determination of revenue recognition, the period of benefit for deferred commissions, the fair value of intangibles and stock awards issued, and the allowance for doubtful accounts. Actual results could differ from those estimates.

Foreign Currency

The functional currency of the Company's foreign subsidiaries is primarily their respective local currency. The Company translates all assets and liabilities of foreign subsidiaries to U.S. dollars at the current exchange rate as of the applicable consolidated balance sheet date. Revenue and expenses are translated at the average exchange rate prevailing during the period. The related unrealized gains and losses from foreign currency translation are recorded in accumulated other comprehensive loss as a separate component of stockholders' equity. Foreign currency transaction losses were \$0.4 million, \$1.4 million and \$0.4 million for fiscal 2020, 2019, and 2018, respectively, and are included in other expense, net in the consolidated statements of comprehensive loss.

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are stated at fair value. Restricted cash represents cash held to collateralize lease obligations.

Fair Value Measurement

The Company's financial instruments, other than cash and restricted cash, consists principally of accounts receivable and accounts payable of which the fair value approximates the carrying value of these financial instruments because of their short-term nature.

Property and Equipment, net

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets, which is two or three years for all property and equipment, excluding leasehold improvements. Leasehold improvements are amortized using the straight-line method over the shorter of 10 years or the remaining lease term.

Business Combinations

The Company uses its best estimates and assumptions to assign fair value to the tangible and intangible assets acquired and liabilities assumed as of the acquisition date. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded to the Company's consolidated statements of comprehensive loss.

Goodwill, Intangible Assets and Other Long-Lived Assets

The Company performs a qualitative assessment on goodwill at least annually, during the fourth quarter, or more frequently if indicators of potential impairment exist, to determine if any events or circumstances exist, such as an adverse change in business climate or a decline in the overall industry that would indicate that it would more likely than not reduce the fair value of a reporting unit below its carrying amount. If it is determined in the qualitative assessment that the fair value of a reporting unit is more likely than not below its carrying amount, then the Company will perform a quantitative impairment test. The quantitative goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. Any excess in the carrying value of a reporting unit's goodwill over its fair value is recognized as an impairment loss, limited to the total amount of goodwill allocated to that reporting unit. For purposes of goodwill impairment testing, the Company has one reporting unit.

Acquisition-related intangible assets with finite lives are amortized over their estimated useful lives. The Company evaluates long-lived assets, including property, equipment and leasehold improvements and other intangible assets subject to amortization, for recoverability whenever events or changes in circumstances indicate that the carrying value of an asset or asset group may not be recoverable based on expected future cash flows attributable to that asset or asset group. Recoverability of assets held and used is measured by comparison of the carrying amount of an asset or an asset group to estimated undiscounted future net cash flows expected to be generated by the asset or asset group. If the carrying amount of an asset or asset group exceeds estimated undiscounted future cash flows, then an impairment charge would be recognized based on the excess of the carrying amount of the asset or asset group over its fair value. Assets to be disposed of are reported at the lower of their carrying amount or fair value less costs to sell.

There were no material impairment charges recognized related to goodwill, intangible assets, or other long-lived assets during fiscal 2020, 2019, and 2018.

Leases

The Company adopted Accounting Standards Codification Topic 842 (ASC 842), Leases, effective February 1, 2019, using the effective date transition method, which applies the provisions of the new guidance at the effective date without adjusting the comparative periods presented. The Company elected to use certain practical expedients permitted under the transition guidance within the new guidance, which allows it to carry forward the historical accounting relating to lease identification and classification for existing leases upon adoption. The Company also elected not to use the hindsight practical expedient in determining the lease term and impairment of the right-of-use (ROU) assets and elected to keep operating leases with an initial term of 12 months or less off of its consolidated balance sheet. The Company elected not to separate lease and non-lease components for all classes of underlying assets. Adoption of the new standard had a material impact on the Company's consolidated balance sheets related to the recognition of ROU assets and lease liabilities for operating leases. The adoption had no impact on the Company's consolidated statements of operations or total cash flows from operations.

The cumulative effect of the changes made to the Company's consolidated balance sheet as of February 1, 2019 were as follows:

		Balance at January 31, 2019	ASC 842 Adjustments (In thousands)	Balance at February 1, 2019
	Classification			
Assets				
Finance lease assets	Property and equipment - net	\$ 14,227	\$ —	\$ 14,227
Operating lease assets	Operating lease right-of-use assets	—	38,175	38,175
Liabilities				
Current:				
Finance lease liabilities	Accrued expenses	\$ 4,511	\$ —	\$ 4,511
Operating lease liabilities	Operating lease liabilities, current portion	—	8,103	8,103
Non-current:				
Finance lease liabilities	Other noncurrent liabilities	\$ 8,088	\$ —	\$ 8,088
Operating lease liabilities	Operating lease liabilities, net of current portion	—	33,164	33,164

The ROU assets were presented net of deferred rent liabilities of \$3.1 million as of February 1, 2019. The adoption had no impact on cash flows other than a change within operating cash flows.

The Company determines if an arrangement is a lease at inception. The Company's lease agreements do not contain any material options to extend or terminate leases, any material residual value guarantees, any material restrictions or covenants, or any material variable lease payments. Any variable lease payments consist of common area maintenance, taxes and other costs and are expensed as incurred.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized based on the present value of lease payments over the lease term at the commencement date. In determining the present value of lease payments, the Company uses its country specific incremental borrowing rate based on the information available at the lease commencement date, including the lease term, for operating leases. The incremental borrowing rate is a hypothetical rate based on the Company's understanding of what its credit rating would be within each country. Upon adoption, the operating lease ROU asset was valued at the amount of the lease liabilities adjusted for the remaining balance of unamortized lease incentives, prepaid rent, and deferred rent as of January 31, 2019. Upon adoption, finance lease ROU assets and liabilities are recognized based on the carrying amount of the lease assets and lease liabilities. The finance lease ROU asset also includes any remaining unamortized initial direct costs. Lease expense is recognized on a straight-line basis over the lease term.

Concentration of Risk and Significant Customers

Financial instruments that subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, and accounts receivable. The Company maintains its cash, cash equivalents, and restricted cash with high-quality financial institutions with investment-grade ratings. A majority of the cash balances are with U.S. banks and are insured to the extent defined by the Federal Deposit Insurance Corporation.

The Company markets its subscription and services in the United States and in foreign countries through its direct sales force and partners. No customer accounted for more than 10% of total revenue for fiscal 2020, 2019, and 2018, or more than 10% of total accounts receivable as of January 31, 2020 and 2019.

Segment Information

The Company operates in one operating segment. Operating segments are defined as components of an enterprise about which separate financial information is evaluated regularly by the chief operating decision maker, who is the chief executive officer, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker allocates resources and assesses performance based upon discrete financial information at the consolidated level.

The following table summarizes the Company's long-lived assets by geographic area, which consist of property and equipment, net and operating lease right-of-use assets:

	As of January 31,		
	2020	2019	2018
	(In thousands)		
Long-lived assets			
United States	\$ 67,104	\$ 36,171	\$ 16,873
United Kingdom	15,235	5,458	431
Other	4,175	1,711	1,017
Total	<u>\$ 86,514</u>	<u>\$ 43,340</u>	<u>\$ 18,321</u>

Revenue by geographical region is discussed below in the Revenue Recognition disclosures.

Accounts Receivable, net

Accounts receivable are recorded at the invoiced amount, net of allowance for doubtful accounts. The allowance for doubtful accounts is based on the Company's assessment of the collectability of accounts. The Company regularly reviews the adequacy of the allowance for doubtful accounts based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted to take into account current market conditions and the Company's customers' financial condition, the amount of any receivables in dispute, and the current receivables aging and current payment terms. Accounts receivable deemed uncollectable are charged against the allowance for doubtful accounts when identified. As of January 31, 2020 and 2019, the allowance for doubtful accounts activity was not significant.

Revenue Recognition

The Company adopted Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, effective February 1, 2018, using the full retrospective transition method.

The Company derives revenue primarily from sales of subscription services and, to a lesser degree, from professional services. Revenue is recognized when a customer obtains access to the platform and receives the related professional services. The amount of revenue recognized reflects the consideration that the Company expects to be entitled to receive in exchange for these services.

The Company determines revenue recognition through the following steps:

1. *Identification of the contract, or contracts, with the customer*
2. *Identification of the performance obligations in the contract*
3. *Determination of the transaction price*
4. *Allocation of the transaction price to the performance obligations in the contract*
5. *Recognition of the revenue when, or as, a performance obligation is satisfied*

Subscription Revenue

The Company generates revenue primarily from sales of subscriptions to access its cloud-based business and execution planning platform. Subscription arrangements with customers do not provide the customer with the right to take possession of the software operating the platform. Instead, customers are granted continuous access to the platform over the contractual period. A time-elapsed method is used to measure progress because the Company's obligation is to provide continuous service over the contractual period. Accordingly, the fixed consideration related to subscription revenue is recognized ratably over the contract term beginning on the date access to the platform is provided.

The typical subscription term is two to three years and customers are generally invoiced in annual installments at the beginning of each year within the subscription period. Most contracts are non-cancelable over the contractual term. Some customers have the option to purchase additional subscription services at a stated price. These options are evaluated on a case-by-case basis but generally do not provide a material right as they are priced within a range of prices provided to other customers for the same products and, as such, would not result in a separate performance obligation.

Professional Services Revenue

Professional services revenue consists of fees associated with implementation or consultation services, and training. Professional services do not result in significant customization of the subscription service and are considered distinct. A substantial majority of the professional service contracts are recognized on a time and materials basis and the related revenue is recognized as the service hours are performed. For time and materials projects, the Company invoices for professional services as the work is incurred and in arrears.

Contracts with Multiple Performance Obligations

Most contracts with customers contain multiple performance obligations that are distinct and accounted for separately. The transaction price is allocated to the separate performance obligations on a relative SSP basis. The Company determines SSP for all performance obligations using observable inputs, such as standalone sales and historical contract pricing. SSP is consistent with the Company's overall pricing objectives, taking into consideration the type of subscription services and professional and other services. SSP also reflects the amount the Company would charge for that performance obligation if it were sold separately in a standalone sale, and the price the Company would sell to similar customers in similar circumstances.

Variable Consideration

Revenue from sales is recorded based on the transaction price, which includes estimates of variable consideration.

Variable consideration may exist where a customer has purchased professional services that are sold on a time and materials basis. The Company estimates the number of hours expected to be incurred based on an expected values approach that considers historical hours incurred for similar projects based on the types and sizes of customers.

Disaggregation of Revenue

The following table summarizes the revenue by region based on the shipping address of customers who have contracted to use the Company's cloud-based application:

	Year Ended January 31,					
	2020		2019		2018	
	Amount	Percentage of Revenue	Amount	Percentage of Revenue	Amount	Percentage of Revenue
Americas	\$ 205,345	59 %	\$ 141,595	59 %	\$ 101,867	61 %
EMEA	110,057	32	78,868	33	53,123	32
APAC	32,620	9	20,179	8	13,357	7
Total	<u>\$ 348,022</u>	<u>100 %</u>	<u>\$ 240,642</u>	<u>100 %</u>	<u>\$ 168,347</u>	<u>100 %</u>

(In thousands, except percentage data)

The United States and the United Kingdom were the only two countries that represented more than 10% of the Company's revenues in any period, comprised of \$197.6 million and 57%, \$136.8 million and 57%, and \$98.5 million and 59% for the United States in fiscal 2020, 2019, and 2018, respectively, and \$41.5 million and 12%, \$32.3 million and 13%, and \$23.1 million and 14% for the United Kingdom in fiscal 2020, 2019, and 2018, respectively.

Contract Balances

Contract assets represent revenue recognized for contracts that have not yet been invoiced to customers, typically for multi-year arrangements. Total contract assets were \$0.2 million and \$0.4 million as of January 31, 2020 and 2019, respectively, which were included within prepaid expenses and other current assets on the consolidated balance sheets.

Contract liabilities consist of deferred revenue. Revenue is deferred when the Company has the right to invoice in advance of performance under a contract. The current portion of deferred revenue balances are recognized over the following 12-month period. The amount of revenue recognized in fiscal 2020, 2019, and 2018 that was included in deferred revenue at the beginning of each period was \$149.6 million, \$101.0 million, and \$65.6 million, respectively.

Deferred Commissions

The Company capitalizes sales commissions that are incremental due to the acquisition of customer contracts. These costs are recorded as deferred commissions on the consolidated balance sheets. The Company determines whether costs should be deferred based on its sales compensation plans, if the commissions are in fact incremental and would not have occurred absent the customer contract.

Sales commissions for renewal of a subscription contract are not considered commensurate with the commissions paid for the acquisition of the initial subscription contract given the substantive difference in commission rates between new and renewal contracts. Commissions paid upon the initial acquisition of a contract are amortized over an estimated period of benefit of five years, while commissions paid related to renewal contracts are amortized over the renewal term. Amortization is recognized on a straight-line basis commensurate with the pattern of revenue recognition. Commissions paid on professional services are typically expensed as incurred. The Company determines the period of benefit for commissions paid for the acquisition of the initial subscription contract by taking into consideration the historical initial and renewal contractual terms, estimated renewal rates, and the technological life of the platform and related significant features. The Company determines the period of benefit for renewal subscription contracts by considering the average contractual term for renewal contracts. Amortization of deferred commissions is included in sales and marketing expense in the consolidated statements of comprehensive loss.

The Company periodically reviews deferred commissions to determine whether events or changes in circumstances have occurred that could impact the period of benefit. There were no impairment losses recorded during the periods presented.

The following table represents a rollforward of the Company's deferred commissions:

	<u>As of January 31,</u>	
	<u>2020</u>	<u>2019</u>
	(In thousands)	
Beginning balance	\$ 50,890	\$ 30,669
Additions to deferred commissions	53,978	33,060
Amortization of deferred commissions	(20,508)	(11,709)
Foreign currency translation effect of deferred commissions	(423)	(1,130)
Ending balance	<u>\$ 83,937</u>	<u>\$ 50,890</u>
Deferred commissions, current (to be recognized in next 12 months)	25,990	15,827
Deferred commissions, net of current portion	<u>57,947</u>	<u>35,063</u>
Total deferred commissions	<u>\$ 83,937</u>	<u>\$ 50,890</u>

Remaining Performance Obligations

As of January 31, 2020, the aggregate amount of the transaction price allocated to remaining performance obligations was \$656.2 million, which consists of both billed consideration in the amount of \$220.2 million and unbilled consideration in the amount of \$436.0 million that the Company expects to recognize as revenue. The Company expects to cumulatively recognize approximately 50% and 82% of this amount as revenue in the next 12 months and 24 months, respectively, with the remaining balance recognized thereafter.

The Company applied a practical expedient allowing it not to disclose the amount of the transaction price allocated to the remaining performance obligations for contracts with an original expected duration of one year or less.

Cost of Revenue

Cost of Subscription Revenue

Cost of subscription revenue primarily consists of costs related to providing cloud applications, compensation and other employee-related expenses for data center staff, payments to outside service providers, customer service, data center and networking expenses, depreciation expenses, and amortization of capitalized software development costs.

Cost of Professional Services Revenue

Cost of professional services primarily consists of costs related to providing implementation services, optimization services, and training, and includes compensation and other employee-related expenses for professional services staff, costs of subcontractors, and travel.

Advertising Costs

Advertising costs are expensed as incurred in sales and marketing expense and amounted to \$17.7 million, \$15.1 million, and \$11.0 million for fiscal 2020, 2019, and 2018, respectively.

Stock-Based Compensation

Prior to the IPO, the Company's board of directors determined the fair value of its common stock using various valuation methodologies, including valuation analyses performed by third-party valuation firms. After the IPO, the Company uses the publicly quoted market closing price as reported on the New York Stock Exchange as the fair value of its common stock.

The Company measures the cost of employee services received in exchange for an award of equity instruments, including stock options, stock purchase rights (SPRs), restricted stock units (RSUs), and purchase rights issued under the 2018 Employee Stock Purchase Plan (ESPP), based on the estimated grant-date fair value of the award. The Company calculates the fair value of options, SPRs, and the purchase rights issued under ESPP using the Black-Scholes option-pricing model and the related expense is recognized using the straight-line attribution approach. The vesting period is the period the employee is required to provide service in exchange for the award.

The Company's RSUs granted under the 2012 Stock Plan (2012 Plan) vest upon the satisfaction of both a service condition and a liquidity condition. Both the service and liquidity conditions must be met for the expense to be recognized. The liquidity condition was satisfied upon the IPO, and the Company recognized an expense of \$29.9 million in the three months ended October 31, 2018 for the portion of the RSUs that had met the service condition as of such date.

The Company's RSUs granted after the IPO under the 2018 Equity Incentive Plan (2018 Plan) vest upon the satisfaction of a service condition and do not have a corresponding liquidity condition.

As of January 31, 2020, unrecognized stock-based compensation cost related to outstanding unvested RSUs that are expected to vest was \$153.4 million, which is expected to be recognized over a weighted-average period of 3.15 years.

Stock-based compensation expense includes the impact of estimated forfeitures, and has been allocated between cost of revenue and operating expense lines based on the cost category of the respective award holders.

Income Taxes

Income taxes are accounted for under the asset-and-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company records a valuation allowance to reduce its deferred tax assets to the net amount that the Company believes is more likely than not to be realized. In assessing the need for a valuation allowance, the Company has considered its historical levels of income, expectations of future taxable income and ongoing tax planning strategies. Because of the uncertainty of the realization of the deferred tax assets, the Company has recorded a valuation allowance against substantially all deferred tax assets. Realization of its deferred tax assets is dependent primarily upon future U.S., U.K. and Israel taxable income.

The Company recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs.

Capitalized Software Development Costs

The Company capitalizes software development costs in connection with its cloud-based business modeling and planning software application, as well as certain projects for internal use, as incurred. Qualifying computer software costs that are incurred during the application development stage are capitalized. The Company capitalized \$13.6 million, \$8.1 million, and \$5.8 million related to software costs incurred during fiscal 2020, 2019, and 2018, respectively. Capitalized software costs are amortized on a straight-line basis over the estimated useful life of the related software, which is generally two to three years, in cost of subscription revenue.

Net Loss Per Share Attributable to Common Stockholders

Basic and diluted net loss per share attributable to common stockholders is presented in conformity with the two-class method required for participating securities. The Company considers all series of convertible preferred stock to be participating securities. Under the two-class method, the net loss attributable to common stockholders is not allocated to the convertible preferred stock as the holders of the convertible preferred stock do not have a contractual obligation to share in the losses of the Company. Under the two-class method, net loss would be attributed to common stockholders and participating securities based on their participation rights.

Basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share attributable to common stockholders adjusts basic net loss per share for the potentially dilutive impact of convertible preferred stock, stock options, restricted stock units, stock repurchase rights, convertible preferred stock warrants, and common stock warrants. As the Company has reported losses for all periods presented, all potentially dilutive securities are antidilutive and accordingly, basic net loss per share equals diluted net loss per share.

Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of credit Losses on Financial Instruments*, which replaces the existing incurred loss impairment model with an expected credit loss model and requires a financial asset measured at amortized cost to be presented at the net amount expected to be collected. In November 2018, the FASB issued ASU 2018-19, “*Codification Improvements to Topic 326, Financial Instruments – Credit Losses*”, which clarifies that receivables arising from operating leases are not within the scope of Topic 326. Instead, impairment of receivables arising from operating leases should be accounted for in accordance with *Topic 842, Leases*. In April 2019, the FASB issued ASU 2019-04 “*Codification Improvements to Topic 326, Financial Instruments – Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments*”, which clarifies treatment of certain credit losses. In May 2019, the FASB issued ASU 2019-05, “*Financial Instruments – Credit Losses (Topic 326): Targeted Transition Relief*”, which permits an entity, upon adoption of ASU 2016-13, to irrevocably elect the fair value option (on an instrument-by-instrument basis) for eligible financial assets measured at amortized cost basis. The guidance will be effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. In November 2019, the FASB issued ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*. ASU 2019-11 requires entities that did not adopt the amendments in ASU 2016-13 as of November 2019 to adopt ASU 2019-11. This ASU contains the same effective dates and transition requirements as ASU 2016-13. The Company continues to assess the impact of this ASU and does not expect it to be material on its consolidated financial statements and disclosures upon adoption.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740), Simplifying the Accounting for Income Taxes*, which simplifies the accounting for income taxes by removing certain exceptions to the general principles of income taxes and reducing the cost and complexity in accounting for income taxes. The guidance is effective for interim and annual periods beginning after December 15, 2020, with early adoption permitted. The Company is in the process of assessing the impact of this ASU on its consolidated financial statements.

Recently Adopted Accounting Pronouncements

In February 2016 and July 2018, the FASB issued ASU 2016-02 “*Leases*”, ASU 2018-10 “*Codification Improvements to Topic 842, Leases*”, and ASU 2018-11 “*Leases (Topic 842): Targeted Improvements*”, which requires lessees to put most leases on their balance sheets but recognize the expenses on their income statements in a manner similar to current practice. The new guidance requires that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The Company adopted the guidance starting February 1, 2019 using a prospective transition approach. The adoption of the new standard resulted in changes to the Company’s accounting policies for leases and resulted in additional disclosures as noted in the leases section in Note 4.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*. The amendments in this ASU change the definition of a business to assist with evaluating when a set of transferred assets and activities is a business. The Company adopted the guidance during fiscal year 2020. The adoption of the new standard had no impact on the Company’s consolidated financial statements and disclosures.

In January 2017, the FASB issued ASU 2017-04, *Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The amendments in this ASU eliminate Step 2 from the goodwill impairment test, which requires entities to calculate the implied fair value of goodwill to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit’s carrying amount over its fair value, determined in step 1. This guidance is effective prospectively for interim and annual reporting periods beginning after December 15, 2019. The Company early adopted the guidance during fiscal year 2020. The adoption of the new standard had no impact on the Company’s consolidated financial statements and disclosures.

In August 2018, the FASB issued ASU 2018-15 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40) Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract". The new guidance amends the definition of a hosting arrangement and requires a customer in a hosting arrangement that is a service contract to capitalize certain costs as if the arrangement were an internal-use software project. The guidance will be effective for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. Early adoption is permitted. The Company early adopted the guidance starting February 1, 2019 using a prospective transition approach. The adoption of the new standard had no material impact on the Company's consolidated financial statements and disclosures.

(2) Consolidated Balance Sheet Components

Property and Equipment, net

Property and equipment consisted of the following:

	As of January 31,	
	2020	2019
	(In thousands)	
Computer and office equipment	\$ 46,986	\$ 37,990
Leasehold improvements	12,728	11,823
Internal-use software	29,445	17,810
Construction in progress	3,943	1,041
Property and equipment, gross	93,102	68,664
Less: accumulated depreciation	(44,463)	(25,324)
Property and equipment, net	<u>\$ 48,639</u>	<u>\$ 43,340</u>

Depreciation expense was \$19.9 million, \$12.7 million, and \$7.2 million for fiscal 2020, 2019, and 2018, respectively.

The Company capitalized \$13.6 million and \$8.1 million in internal-use software for fiscal 2020 and 2019, of which \$2.3 million and \$0.6 million was stock-based compensation expense. Amortization of the capitalized internal-use software, included in total depreciation expense above was \$6.1 million and \$3.9 million for fiscal 2020 and 2019, respectively.

Accrued Expenses

Accrued expenses consisted of the following:

	As of January 31,	
	2020	2019
	(In thousands)	
Vendor accruals	\$ 11,098	\$ 6,237
Accrued commission	10,033	10,000
Accrued bonuses	14,279	11,759
Accrued other payroll liabilities	21,077	10,112
Current portion of finance lease obligations	6,956	4,512
Accrued other	15,581	9,950
Accrued expenses	<u>\$ 79,024</u>	<u>\$ 52,570</u>

(3) Bank Borrowing

In April 2018, the Company entered into a syndicated loan agreement with Wells Fargo to provide a secured revolving credit facility that allows the Company to borrow up to \$40.0 million, subject to an accounts receivable borrowing base, for general corporate purposes through April 2020. Any advances drawn on the credit facility will incur interest at a rate equal to (i) the highest of (A) the prime rate, (B) the federal funds rate plus 0.5%, and (C) the one-month LIBOR plus 1% less (ii) 0.5%. Interest is payable monthly in arrears with the principal and any accrued and unpaid interest due on April 30, 2020. This syndicated loan agreement was subsequently amended in September 2018 and October 2019. As of January 31, 2020, the Company had not drawn down any amounts under this agreement. The Company was in compliance with the financial covenants contained in the agreement as of January 31, 2020.

(4) Leases

The Company leases certain facilities under operating leases that expire from fiscal 2020 to 2028. Starting in fiscal 2019, the Company entered into finance leases to finance equipment.

The components of lease expense were as follows:

	<u>Year Ended January 31,</u> <u>2020</u>	
	(In thousands)	
Operating lease costs	\$	<u>10,748</u>
Finance lease costs		
Amortization of assets	\$	5,737
Interest on lease liabilities		826
Total finance lease costs	\$	<u>6,563</u>

Supplemental balance sheet information related to leases is as follows:

	<u>As of January 31, 2020</u>	
	(In thousands)	
Operating leases:		
Operating lease ROU assets	\$	37,875
Operating lease liabilities, current portion	\$	7,278
Operating lease liabilities, net of current portion		34,017
Total operating lease liabilities	\$	<u>41,295</u>
Finance leases:		
Property and equipment, gross	\$	21,321
Less: accumulated depreciation		(7,347)
Property and equipment, net	\$	<u>13,974</u>
Accrued expenses	\$	6,956
Other noncurrent liabilities		7,261
Total finance lease liabilities	\$	<u>14,217</u>

Weighted-average lease terms and discount rates are as follows:

	<u>As of January 31, 2020</u>	
	<u>Operating Leases</u>	<u>Finance Leases</u>
Weighted-average remaining lease terms	5.6 years	2.1 years
Weighted-average discount rates	5.6%	5.3%

Future minimum lease payments under operating leases and finance leases as of January 31, 2020 are as follows:

	As of January 31, 2020	
	Operating Leases	Finance Leases
	(In thousands)	
Years ending January 31,		
2021	\$ 9,077	\$ 7,639
2022	7,997	5,868
2023	8,024	1,595
2024	7,649	—
2025	6,956	—
Thereafter	9,553	—
Total lease payments	49,256	15,102
Less: amount representing interest	(7,491)	(885)
Less: leases less than 12 months	(470)	—
Total lease liabilities	\$ 41,295	\$ 14,217

The Company enters into commitments to lease computer and office equipment for which the timing of the lease payments is not determined until the date of acceptance. As of January 31, 2020, the amounts related to these leases were approximately \$0.6 million, which are to be paid over three years after the date of acceptance.

Future minimum lease payments under operating leases and finance leases as of January 31, 2019, prior to the Company's adoption of the new lease standard, were as follows:

	As of January 31, 2019	
	Operating Leases	Finance Leases
	(In thousands)	
Years ending January 31,		
2020	\$ 10,994	\$ 5,438
2021	8,534	5,366
2022	7,065	3,369
2023	7,256	386
2024	7,342	—
Thereafter	16,427	—
Total future minimum payments	\$ 57,618	\$ 14,559

Under ASC 840, the previous lease standard, total rent expense under operating leases for fiscal 2019 was \$11.4 million.

(5) Business Combination

On October 3, 2019, the Company acquired all outstanding shares of Mintigo Limited (Mintigo), an Israel-based company that provides a predictive analytics platform for marketing and sales. The acquisition of Mintigo is intended to enhance the predictive capabilities of the Company's solutions.

The allocation of the purchase price for this acquisition has been prepared on a preliminary basis and changes to the allocation to certain assets, liabilities, and tax estimates may occur as additional information becomes available.

The following table summarizes the preliminary allocation of the purchase consideration to the fair value of the assets acquired and liabilities assumed:

	(In thousands)	
Cash	\$	2,735
Other current and noncurrent assets		1,793
Intangible assets		7,300
Goodwill		32,379
Deferred revenue		(2,100)
Other current and noncurrent liabilities		(5,880)
Total purchase consideration	\$	<u>36,227</u>

The intangible assets acquired consist of developed technology of \$5.2 million, and customer relationships of \$2.1 million and were assigned useful lives of 5 and 7 years, respectively. The fair value of the developed technology was determined utilizing the multi-period excess earning method, and the with-and-without method was utilized to determine the fair value of customer relationships. The excess of the purchase consideration over the fair value of net tangible and identifiable intangible assets acquired and liabilities assumed was recorded as goodwill, and is attributable to Mintigo's workforce and the synergies expected to arise from the acquisition. The Company does not expect goodwill to be deductible for income tax purposes.

Acquisition-related costs of approximately \$1.3 million were included in general and administrative expenses during fiscal 2020 in the consolidated financial statements. The total cash consideration was \$33.5 million, net of cash acquired of \$2.7 million, and was fully paid in fiscal 2020.

The consolidated financial statements include the operating results of the acquisition from the date of acquisition. Pro forma results of operations for the acquisition have not been presented because the effects of the acquisition, individually and in the aggregate, were not material to the financial results of the Company.

Additionally, the Company entered into retention agreements with employees of Mintigo who joined the Company after the acquisition, totaling up to approximately \$10.0 million. As payment of these retention agreements is contingent upon the continuous service of these employees with the Company, they are being accounted for as compensation over the required service period of three years commencing from the acquisition date.

(6) Acquisition-Related Intangible Assets

The components of identifiable intangible assets included in "Other noncurrent assets" are as follows:

	As of January 31, 2020			Remaining Amortization Periods
	Intangible Assets, Gross	Accumulated Amortization	Intangible Assets, Net	
	(In thousands)			
Developed technology	\$ 5,200	\$ (346)	\$ 4,854	4.8 years
Customer relationships	2,976	(977)	1,999	6.8 years
Total	<u>\$ 8,176</u>	<u>\$ (1,323)</u>	<u>\$ 6,853</u>	

	As of January 31, 2019			Remaining Amortization Periods
	Intangible Assets, Gross	Accumulated Amortization	Intangible Assets, Net	
	(In thousands)			
Customer relationships	\$ 876	\$ (841)	\$ 35	<1 year
Total	<u>\$ 876</u>	<u>\$ (841)</u>	<u>\$ 35</u>	

Amortization expense of acquisition-related intangible assets was \$0.5 million, \$0.2 million and \$0.2 million for fiscal 2020, 2019 and 2018, respectively.

The expected future intangible assets amortization as of January 31, 2020 is as follows:

Years ending January 31,	As of January 31, 2020	
	(In thousands)	
2021	\$	1,340
2022		1,340
2023		1,340
2024		1,340
2025		993
Thereafter		500
Total future intangible assets amortization	<u>\$</u>	<u>6,853</u>

(7) Common Stock and Employee Stock Plans

As of January 31, 2020, the Company was authorized to issue 1,750,000,000 shares of common stock. Shares were reserved for future issuance as follows:

	As of January 31,	
	2020	2019
	(In thousands)	
Outstanding stock options	10,198	14,986
Outstanding restricted stock units	10,260	10,894
Outstanding stock purchase rights	5	4,776
Shares available for future issuances under the 2018 Stock Plan	17,071	13,411
Shares available for future issuances under the 2018 ESPP	<u>2,786</u>	<u>2,700</u>
Total	<u>40,320</u>	<u>46,767</u>

2012 Stock Plan

In March 2012, the Company adopted the 2012 Plan, under which officers, employees, and consultants may be granted various forms of equity incentive compensation at the discretion of the Board of Directors, including stock options, RSUs, and SPRs. The awards have varying terms, but generally vest over four years, and are issued at the fair value of the shares of common stock on the date of grant.

In connection with the IPO, the 2012 Plan was terminated and the number of shares of common stock reserved under the 2012 Plan that were not issued or subject to outstanding awards under the 2012 Plan on the IPO date were transferred to the 2018 Plan. As of January 31, 2020, options to purchase and RSUs to convert to a total of 14.6 million shares of common stock were outstanding under the 2012 Plan pursuant to their original terms and no shares were available for future grant.

2018 Stock Plan

In October 2018, the Company adopted the 2018 Plan, which became effective on October 11, 2018 and serves as the successor to the Company's 2012 Plan, and provides various forms of equity incentive awards to the Company's officers, employees and consultants at the discretion of the Board of Directors. The awards have varying terms, but generally vest over four years, and are issued at the fair value of the shares of common stock on the date of grant.

As of January 31, 2020, options to purchase and RSUs to convert to a total of 5.9 million shares of common stock were outstanding under the 2018 Plan. On the first day of each fiscal year of the Company during the term of the 2018 Plan, commencing on February 1, 2019 and ending on (and including) February 1, 2028, the aggregate number of common shares that may be issued under the 2018 Plan shall automatically increase by a number equal to the least of (a) 5% of the total number of common shares issued and outstanding on the last day of the preceding fiscal year, (b) 7,500,000 of common shares subject to anti-dilution adjustments or (c) a number of common shares determined by the Company's board of directors.

Employee Stock Purchase Plan

In September 2018, the Company adopted the 2018 Employee Stock Purchase Plan (the ESPP), which became effective on October 12, 2018. The ESPP initially authorizes the issuance of 2,700,000 shares of the Company's common stock pursuant to purchase rights granted to eligible employees. The number of shares of common stock available for sale under the ESPP also includes an annual increase on the first day of each fiscal year beginning on February 1, 2019, equal to the least of: (i) 1% of the outstanding shares of common stock as of the last day of the preceding fiscal year, (ii) 1,500,000 shares of stock subject to anti-dilution adjustments or (iii) such other amount as the board of directors may determine.

Except for the initial offering period, the ESPP provides for 12-month offering periods beginning June 21 and December 21 of each year, and each offering period will consist of two six-month purchase periods. The initial offering period began October 12, 2018 and ended on December 20, 2019. On each purchase date, eligible employees will purchase the shares at a price per share equal to 85% of the lesser of (1) the fair market value of the Company's stock on the offering date or (2) the fair market value of our stock on the purchase date.

For fiscal 2020, 1.2 million shares of common stock were purchased under the ESPP at a weighted-average price of \$15.78 per share, and \$5.9 million of stock-based compensation expense was recorded. During fiscal 2019, there was no common stock purchased under the ESPP, and \$1.6 million of stock-based compensation expense was recorded.

The Company accounted for the stock purchase rights under ESPP at the grant date (first day of the offering period) by valuing each purchase period separately. The Black-Scholes assumptions used to value the ESPP are as follows:

	Year Ended January 31,	
	2020	2019
ESPP:		
Risk-free interest rate	1.52% - 2.69%	2.51% - 2.69%
Expected term (years)	0.50 - 1.19	0.69 - 1.19
Expected volatility	32.5% - 42.9%	32.5% - 34.9%
Expected dividend yield	—	—

Stock Purchase Rights (SPRs) with Recourse Notes

SPRs have been issued in exchange for recourse promissory notes with the aggregate price of the underlying shares as the principal amount. The promissory notes are collateralized by the related common stock. Repayment is due between four and 12 years from the date of the promissory notes or earlier in certain circumstances. In addition, any proceeds from the sale of shares purchased with the notes must be applied to repay the outstanding note receivable balance. The Company has a right to repurchase the shares if the employee's service period is not fulfilled or upon termination of employment at the original per share issuance price. The right of repurchase lapses over an employee service period which is typically four years with 25% vesting on the first anniversary of the vesting commencement date and 1/48 each month thereafter. The Company deemed all employee recourse promissory notes to be non-substantive in nature and therefore the notes are not reflected in the consolidated balance sheets and consolidated statements of stockholders' equity. Rather, the note issuances and the share purchases are accounted for as share option grants, with the related share-based compensation measured using the Black-Scholes option-pricing model and recognized over the vesting periods.

There were no SPRs issued since fiscal 2017.

Shares underlying the SPRs are presented as outstanding on the consolidated balance sheets and consolidated statements of stockholders' equity as the shares have voting and dividend rights and are thus considered legally outstanding. The number of these outstanding SPRs was immaterial as of January 31, 2020. During fiscal 2019 and 2018, 4.8 million, and 8.8 million of these underlying shares, respectively, have been excluded from the respective net loss per share calculations because the shares are considered contingently issuable and subject to repurchase.

A summary of the SPR activities for fiscal 2020 is as follows:

	Number of SPRs	Weighted- Average Exercise Price
	(In thousands)	
Non-vested SPRs as of January 31, 2019	406	
Vested	(266)	\$ 4.59
Repurchased	(135)	\$ 4.59
Non-vested SPRs as of January 31, 2020	5	

During fiscal 2020, 2019, and 2018, the Company recorded stock-based compensation expense of \$0.4 million, \$0.6 million, and \$1.4 million, respectively, related to the SPRs. During fiscal 2018, the Company recorded stock-based compensation expense of \$0.5 million related to the accelerated vesting of certain SPRs for one former director.

As of January 31, 2020, unrecognized stock-based compensation costs related to outstanding unvested SPRs that are expected to vest was immaterial.

Share Repurchase

During fiscal 2020, 2019, and 2018, the Company repurchased approximately 0.1 million unvested shares from one employee, 0.2 million unvested shares from one employee and 1.0 million unvested shares from two employees, respectively. The share repurchases took place upon termination of employment by cancelling the principal balance of the related note, plus any accrued interest from the date of purchase related to the unvested portion.

Stock Options and Restricted Stock Units

Stock options can be granted with an exercise price equal to or greater than the stock's fair value at the date of grant. Most awards have 10-year terms and vest and become exercisable at a rate of 25% on the first anniversary of the vesting commencement date and 1/48th each month thereafter. Options granted may include provisions for early exercisability.

The Black-Scholes assumptions used to value the employee options at the grant dates are as follows:

	Year Ended January 31,		
	2020	2019	2018
Stock Options:			
Fair value of common stock	\$32.75 - \$58.82	\$7.12 - \$25.10	\$5.38 - \$6.14
Risk-free interest rate	1.51% - 2.54%	2.68% - 3.00%	1.88% - 2.54%
Expected term (years)	5.07 - 6.25	6.06 - 6.26	6.08
Expected volatility	37.5% - 38.8%	37.0% - 37.8%	38.0% - 41.6%
Expected dividend yield	—	—	—

These assumptions and estimates were determined as follows:

- **Fair Value of Common Stock.** Prior to the IPO, the Company's board of directors determined the fair value of its common stock using various valuation methodologies, including valuation analyses performed by third-party valuation firms. After the IPO, the Company uses the publicly quoted market closing price as reported on the New York Stock Exchange as the fair value of its common stock.
- **Risk-Free Interest Rate.** The risk-free interest rate for the expected term of the options was based on the U.S. Treasury yield curve in effect at the time of the grant.
- **Expected Term.** The expected term was estimated using the simplified approach, in which the expected term of an award is presumed to be the mid-point between the vesting date and the expiration date of the award, as the Company does not have sufficient historical data relating to stock-option exercises.
- **Expected Volatility.** As there was no public market for the Company's common stock prior to IPO, the Company has limited information on the volatility of its common stock. Accordingly, the expected volatility for the Company was estimated by taking the average historic price volatility for industry peers, consisting of several public companies in the Company's industry which are either similar in size, stage of life cycle, or financial leverage, over a period equivalent to the expected term of the awards.
- **Expected Dividend Yield.** The Company has never declared or paid any cash dividends and does not presently plan to pay cash dividends in the foreseeable future. As a result, an expected dividend yield of zero was used.

A summary of stock option and RSU activities for fiscal 2020 is as follows:

	Options Outstanding					RSUs Outstanding	
	Shares Available for Grant	Shares Subject to Options Outstanding	Weighted Average Exercise Price	Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value	Shares	Weighted-Average Grant Date Fair Value
	(in thousands, except weighted average exercise price, average remaining contractual life and weighted average grant date fair value)						
Balance as of January 31, 2019	13,411	14,986	\$ 5.99	7.92	\$ 380,673	10,894	\$ 12.01
Shares authorized	6,312	-	-	-	-	-	-
Options granted	(1,463)	1,463	42.60	-	-	-	-
Options exercised	-	(4,755)	4.60	-	-	-	-
Options forfeited	1,496	(1,496)	7.31	-	-	-	-
Shares repurchased	135	-	-	-	-	-	-
RSUs granted	(4,121)	-	-	-	-	4,121	42.56
RSUs vested	-	-	-	-	-	(3,454)	11.69
Shares withheld related to net share settlement of RSUs	-	-	-	-	-	-	-
RSUs forfeited	1,301	-	-	-	-	(1,301)	17.41
Balance as of January 31, 2020	<u>17,071</u>	<u>10,198</u>	\$ 11.69	7.55	\$ 468,079	<u>10,260</u>	\$ 23.70
Exercisable as of January 31, 2020		<u>4,645</u>	\$ 5.46	6.60	\$ 242,140	-	-
Vested and expected to vest as of January 31, 2020		<u>9,561</u>	\$ 10.98	7.47	\$ 445,646	<u>8,877</u>	-

The total intrinsic value of the options exercised during fiscal 2020, 2019, and 2018 was \$194.1 million, \$24.2 million, and \$8.9 million, respectively. The intrinsic value is calculated as the difference between the fair value of the underlying common stock at the exercise date and the exercise price of the stock option.

The weighted-average grant date fair value of options granted during fiscal 2020, 2019, and 2018 was \$13.87, \$5.48, and \$2.41, respectively.

As of January 31, 2020, unrecognized stock-based compensation cost related to outstanding unvested stock options that are expected to vest was \$28.0 million, which is expected to be recognized over a weighted-average period of 2.29 years.

RSUs granted under the 2012 Stock Plan (2012 Plan) vest upon the satisfaction of both a service condition and a liquidity condition. Both the service and liquidity conditions must be met for the expense to be recognized. The liquidity condition was satisfied upon completion of our IPO, and we recognized an expense of \$29.9 million in the three months ended October 31, 2018 for the portion of the RSUs that had met the service condition as of such date. In connection with the IPO, the 2012 Plan was terminated and the number of shares of common stock reserved under the 2012 Plan that were not issued or subject to outstanding awards under the 2012 Plan on the IPO date were transferred to the 2018 Plan.

The RSUs granted after the IPO under the 2018 Plan solely vest upon the satisfaction of a service condition.

As of January 31, 2020, unrecognized stock-based compensation cost related to outstanding unvested RSUs that are expected to vest was \$153.4 million, which is expected to be recognized over a weighted-average period of 3.15 years.

Stock-Based Compensation

The stock-based compensation expense, net of estimated forfeitures, by line item in the accompanying consolidated statements of comprehensive loss is summarized as follows:

	Year Ended January 31,		
	2020	2019	2018
	(In thousands)		
Cost of subscription revenue	\$ 2,547	\$ 831	\$ 148
Cost of professional services revenue	2,199	851	507
Research and development	10,608	3,826	742
Sales and marketing	34,428	15,475	3,496
General and administrative	30,264	31,823	3,746
Total stock-based compensation expense	<u>\$ 80,046</u>	<u>\$ 52,806</u>	<u>\$ 8,639</u>

The Company's estimated forfeiture rate is based on accumulated historical forfeiture data.

The capitalized stock-based compensation expense relating to research and development expense was \$2.3 million, \$0.6 million, and \$0.2 million during fiscal 2020, 2019, and 2018, respectively.

(8) Fair Value Measurements

The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Company determines fair value based on assumptions that market participants would use in pricing an asset or a liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The Company did not hold any assets or liabilities that are measured at fair value on a recurring basis as of January 31, 2020 or 2019 and there were no transfers into or out of Level 1, Level 2, or Level 3 during fiscal 2020, 2019, and 2018.

(9) Commitments and Contingencies

Indemnifications

The Company delivers its application over the Internet as a subscription service using a SaaS model. Each subscription is subject to the terms of the contractual arrangement with the customer and generally includes certain provisions for holding the customer harmless against and indemnifying the customer for costs, damages, losses, liabilities, and expenses arising from claims that the Company's software infringes upon a copyright, trademark, or other trade secret rights, and third-party claims arising from the Company's breach of the contract.

The Company has not incurred any expense in defense or reimbursement of any of its customers for losses related to indemnification provisions, and no material claims against the Company are outstanding as of January 31, 2020 and 2019. The Company's exposure under these indemnification provisions is generally capped at a fixed amount in many customer agreements and uncapped in others. Due primarily to the lack of history of prior indemnification claims and the unique facts and circumstances involved in each particular contractual arrangement, the Company has determined that potential costs related to indemnification are not probable or estimable and, as such, has not recorded a reserve for fiscal 2020, 2019, or 2018.

Warranties

The Company provides a warranty for the implementation services it performs for its subscription services to its customers for a period of 30 days after completion of the services. The Company's services are generally warranted to conform to the specifications set forth in the related customer contract and published documentation. In the event there is a failure of such warranties, the Company generally will correct the problem or provide a reasonable workaround or replacement product. If the Company cannot correct the problem or provide a workaround or replacement product, then the customer's remedy is generally limited to termination of the contractual arrangement related to the nonconforming product services with a refund of the related fees paid. Accordingly, no amounts have been recorded.

Legal Matters

The Company is a party to various legal proceedings and claims, which arise in the ordinary course of business. As of January 31, 2020 and 2019, the Company determined that there was not at least a reasonable possibility that it had incurred a material loss, or a material loss in excess of a recorded accrual, with respect to such proceedings.

Other Contractual Commitments

Other contractual commitments primarily consist of data center and IT operations related to our daily business operations. Future minimum payments under our non-cancellable purchase commitments as of January 31, 2020 are presented in the table below:

	<u>Purchase Obligations</u>	
	(In thousands)	
Year ended January 31,		
2021	\$	14,772
2022		10,178
2023		4,780
2024		1,655
Total future minimum payments	\$	<u>31,385</u>

(10) Income Taxes

The components of the loss before income taxes were as follows:

	<u>Year Ended January 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
	(In thousands)		
Domestic	\$ (115,107)	\$ (89,375)	\$ (20,382)
Foreign	(29,657)	(38,432)	(25,911)
Total	<u>\$ (144,764)</u>	<u>\$ (127,807)</u>	<u>\$ (46,293)</u>

The provision for income taxes was as follows:

	Year Ended January 31,		
	2020	2019	2018
	(In thousands)		
Current:			
Federal	\$ —	\$ —	\$ —
State	76	244	10
Foreign	1,741	2,078	1,069
Total current income tax expense	<u>1,817</u>	<u>2,322</u>	<u>1,079</u>
Deferred:			
Federal	\$ —	\$ —	\$ —
State	—	—	—
Foreign	2,636	887	182
Total deferred income tax expense	<u>2,636</u>	<u>887</u>	<u>182</u>
Total provision for income tax	<u>\$ 4,453</u>	<u>\$ 3,209</u>	<u>\$ 1,261</u>

A reconciliation of the U.S. federal statutory tax rate to the Company's provision for income taxes was as follows:

	Year Ended January 31,		
	2020	2019	2018
	(In thousands)		
U.S. federal taxes at statutory tax rate	\$ (30,400)	\$ (26,841)	\$ (15,229)
State taxes, net of federal benefit	(9,427)	(3,413)	(790)
Stock-based compensation	(40,628)	(431)	1,653
Change in valuation allowance	98,343	32,828	(7,711)
Foreign income taxed at various rates	(5,986)	1,984	4,002
U.S. Tax Reform	—	—	19,736
Other	(7,449)	(918)	(400)
Total	<u>\$ 4,453</u>	<u>\$ 3,209</u>	<u>\$ 1,261</u>

Significant components of net deferred tax assets are as follows:

	As of January 31,	
	2020	2019
	(In thousands)	
Deferred tax assets:		
Net operating losses	\$ 184,752	\$ 74,040
Stock-based compensation	18,234	12,529
Accruals and reserves	4,522	3,531
Depreciation and amortization	253	156
Lease liabilities	9,545	—
Deferred research and development costs	579	—
Gross deferred tax assets	<u>217,885</u>	<u>90,256</u>
Valuation allowance	(189,737)	(79,739)
Deferred tax liabilities:		
Depreciation and amortization	(3,647)	—
Accruals and reserves	(2,097)	(528)
ROU assets	(8,387)	—
Deferred commissions	(17,443)	(11,022)
Gross deferred tax liabilities	<u>(31,574)</u>	<u>(11,550)</u>
Total net deferred tax liabilities	<u>\$ (3,426)</u>	<u>\$ (1,033)</u>

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management believes it is more likely than not that the deferred tax assets will not be realized; accordingly, a valuation allowance has been established on U.S. and U.K. net deferred tax assets. The valuation allowance increased \$110.0 million for fiscal 2020 and increased \$32.8 million for fiscal 2019.

As of January 31, 2020, the Company has net operating loss carryforwards for federal income tax purposes of \$572.2 million available to reduce future income subject to income taxes. The federal net operating loss carryforwards will begin to expire, if not utilized, in fiscal 2029. In addition, the Company has \$140.9 million and \$207.3 million of net operating loss carryforwards available to reduce future taxable income subject to California state income taxes and all other applicable state jurisdictions, respectively. The California net operating loss carryforwards will begin to expire, if not utilized, in fiscal 2031 through fiscal 2039. The other states' net operating loss carryforwards will begin to expire at various dates beginning in fiscal 2025 through fiscal 2039, if not utilized. The U.K. net operating loss carryforwards of \$182.0 million do not expire.

The federal and state net operating loss carryforwards may be subject to significant limitations under Section 382 and Section 383 of the Code and similar provisions under state law. The Tax Reform Act of 1986 contains provisions that limit the federal net operating loss carryforwards that may be used in any given year in the event of special occurrences, including significant ownership changes. The Company completed an analysis under Code Sections 382 and 383 through January 31, 2019 and concluded that the limitation on its ability to utilize its net operating loss carryforwards will not be material. If there were material ownership changes subsequent to the study, such changes could limit the Company's ability to utilize its net operating loss carryforwards.

On December 22, 2017, the U.S. government enacted comprehensive tax legislation commonly referred to as the Tax Cuts and Jobs Act (the Tax Reform Act). The Tax Reform Act reduced the U.S. federal corporate income tax rate from 35% to 21% effective January 1, 2018. The Company had recorded the estimated effects of the Tax Reform Act in its fiscal 2018 tax provision pursuant to Staff Accounting Bulletin No. 118 (SAB 118) issued by SEC. In its fourth quarter of fiscal 2019, the Company finalized the accounting for the Tax Reform Act and did not record any measurement period adjustments. In addition, the Company computed its fiscal 2020, 2019, and 2018 provision with the tax rate of 21%, 21% and 33%, respectively.

During the quarter ended October 31, 2019, the Company acquired \$7.4 million of gross unrecognized tax benefits through purchase accounting from the Mintigo acquisition, of which \$6.1 million were not recognized as they would be offset by the reversal of related deferred tax assets which are subject to a full valuation allowance. Prior to year end, \$0.8 million of the \$6.1 million expired due to the statute of limitations, and accordingly, this amount was removed from the balance of gross unrecognized tax benefits. The remaining \$1.3 million of unrecognized tax benefits were included within other noncurrent liabilities on the consolidated balance sheet as of January 31, 2020, and if recognized, would impact the Company's effective tax rate. The Company does not expect any significant change in its unrecognized tax benefits during the next twelve months that would be material to the consolidated financial statements because nearly all of the unrecognized tax benefits have been offset by a deferred tax asset, which has been reduced by a valuation allowance.

The Company files income tax returns for U.S. federal income tax, several U.S. states, and other foreign jurisdictions. The Company's most significant tax jurisdictions are the United States and the United Kingdom. The Company's tax years for 2009 and forward are subject to examination by the federal tax authorities. The Company's tax years for 2009 and forward are subject to examination by the state tax authorities. The Company's tax years for 2011 and forward are subject to examination by the foreign tax authorities. The Company is not currently under examination for income tax in any jurisdiction.

(11) Net Loss Per Share Attributable to Common Stockholders

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

	Year Ended January 31,		
	2020	2019	2018
	(In thousands, except per share data)		
Numerator:			
Net loss	\$ (149,217)	\$ (131,016)	\$ (47,554)
Denominator:			
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	129,799	53,328	18,956
Net loss per share attributable to common stockholders, basic and diluted	\$ (1.15)	\$ (2.46)	\$ (2.51)

The potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive are as follows:

	As of January 31,		
	2020	2019	2018
	(In thousands)		
Convertible preferred stock	—	—	73,610
Stock options	10,198	14,986	15,815
Stock repurchase rights	5	4,776	8,789
Restricted stock units	10,260	10,894	5,249
Unvested shares subject to repurchase	6	24	—
Convertible preferred stock warrants	—	—	10
Common stock warrants	—	—	14
Total	<u>20,469</u>	<u>30,680</u>	<u>103,487</u>

(12) Employee Benefit Plans

On January 1, 2013, the Company initiated a savings and retirement plan for employees. The Company's employee savings and retirement plan is qualified under Section 401 of the Internal Revenue Code. The plan is available to all regular employees on the Company's U.S. payroll and provides employees with tax-deferred salary deductions and alternative investment options. Employees may contribute up to 90% of their salary up to the statutory prescribed annual limit. The Company also has a defined-contribution retirement plan that covers substantially all employees in the United Kingdom, Singapore, the Netherlands, France, Sweden, Switzerland, India, Israel, Japan, Austria, and Australia. The Company matches employees' contributions to the U.S. 401(k) plan, subject to certain limitations. The Company also matches at varying percentages of income, voluntarily or within a statutory scheme, for employees in the countries listed above.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES**Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a- 15(e) and 15d- 15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K.

Based on such evaluation, our principal executive officer and principal financial officer have concluded that as of such date, our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosures.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles.

Our management, under the supervision of our principal executive officer and principal financial officer, conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in Internal Control—Integrated Framework (2013), issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of January 31, 2020, to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with generally accepted accounting principles.

The effectiveness of our internal control over financial reporting as of January 31, 2020 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included in Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the quarter ended January 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our principal executive officer and principal financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions, over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information called for by this item will be set forth in our Proxy Statement for the 2020 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended January 31, 2020 and is incorporated herein by reference.

We have adopted a Code of Conduct and Ethics that applies to all officers, directors and employees, which is available on our Website. The Internet address for our Website is investors.anaplan.com, and the Code of Conduct and Ethics may be found from our main Web page by clicking first on "Investor Center," in the "About" menu, next on "Governance," next on "Governance Documents" and then on "Code of Conduct and Ethics."

We intend to satisfy any disclosure requirements under Item 5.05 of Form 8-K regarding an amendment to, or waiver from, a provision of this Code of Conduct and Ethics by posting such information on our Website, at the Internet address and location specified above.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by this item will be set forth in our Proxy Statement and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information called for by this item will be set forth in our Proxy Statement and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information called for by this item will be set forth in our Proxy Statement and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information called for by this item will be set forth in our Proxy Statement and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

We have filed the following documents as a part of this Form 10-K:

(a) Financial Statements

	<u>Page</u>
Reports of Independent Registered Public Accounting Firm	69
Consolidated Balance Sheet	72
Consolidated Statements of Comprehensive Loss	73
Consolidated Statements of Stockholders' Equity	74
Consolidated Statements of Cash Flows	75
Notes to Consolidated Financial Statements	76

(b) Financial Statement Schedules

All schedules are omitted because they are not applicable or the required information is included in the Financial Statements or in the notes thereto.

(c) Exhibits

The following exhibits, as required by Item 601 of Regulation S-K are attached or incorporated by reference as stated below.

<u>Exhibit Number</u>	<u>Exhibit Description</u>	<u>Incorporated by Reference</u>				<u>Filed/ Furnished Herewith</u>
		<u>Form</u>	<u>File No.</u>	<u>Exhibit</u>	<u>Filing Date</u>	
3.1	Amended and Restated Certificate of Incorporation of Registrant.	10-K	001-38698	3.1	March 29, 2019	
3.2	Amended and Restated Bylaws of Registrant.	10-K	001-38698	3.2	March 29, 2019	
4.1	Amended and Restated Investors' Rights Agreement, dated November 21, 2017, by and among the Registrant and the parties thereto.	S-1	333-227355	4.1	September 14, 2018	
4.2	Description of the Registrant's Securities Registered Pursuant to Section 12 of the Exchange Act of 1934					X
10.1#	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.	S-1/A	333-227355	10.1	October 1, 2018	
10.2#	2012 Stock Plan and forms of agreements thereunder.	S-1	333-227355	10.2	September 14, 2018	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.3#	The Registrant's 2018 Equity Incentive Plan, including form agreements.	S-8	333-227798	99.2	October 12, 2018	
10.4#	Severance and Change in Control Agreement, dated as of September 28, 2018, by and between the Registrant and Frank Calderoni.	S-1/A	333-227355	10.4	October 1, 2018	
10.5#	Severance and Change in Control Agreement, dated as of September 9, 2018, by and between the Registrant and David H. Morton, Jr.	S-1	333-227355	10.16	September 14, 2018	
10.6#	The Registrant's 2018 Employee Stock Purchase Plan.	S-1/A	333-227355	10.7	October 1, 2018	
10.7#	Confirmatory Employment Letter, dated September 28, 2018, between the Registrant and Frank Calderoni.	S-1/A	333-227355	10.8	October 1, 2018	
10.8#	Employment Agreement, dated September 9, 2018, between the Registrant and David H. Morton, Jr.	S-1	333-227355	10.15	September 14, 2018	
10.9#	Employment Agreement, dated January 29, 2019, and Severance and Change in Control Agreement, between the Registrant and Ana Pinczuk.					X
10.10#	Employment Agreement, dated September 24, 2018, and Severance and Change in Control Agreement, between the Registrant and Vivie Lee.					X
10.11#	Form of Stock Option Grant Agreement under Anaplan, Inc.'s 2018 Equity Incentive Plan	10-Q	001-38698	10.10	December 10, 2018	
10.12#	Compensation Program for Non-Employee Directors.	S-1/A	333-227355	10.12	October 1, 2018	
10.13	Credit Agreement between the Registrant and Wells Fargo, National Association.	S-1/A	333-227355	10.13	October 1, 2018	

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed/ Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
10.14	Amendment to Credit Agreement between the Registrant and Wells Fargo Bank, N.A.	10-Q	001-38698	10.1	December 9, 2019	
10.15	Sublease, dated November 9, 2017, by and among the Registrant and athenahealth, Inc.	S-1/A	333-227355	10.14	October 1, 2018	
10.16#	Anaplan, Inc. Cash Incentive Plan Agreement	10-Q	001-38698	10.11	December 10, 2018	
21.1	List of Subsidiaries of Registrant.	S-1	333-227355	21.1	September 14, 2018	
23.1	Consent of Independent Registered Public Accounting Firm.					X
24.1	Power of Attorney (contained in the signature page to this registration statement).					X
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1†	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2†	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X

Incorporated by Reference						Filed/ Furnished Herewith
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					X
101.SCH	Inline XBRL Taxonomy Extension Schema Document					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document					X
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document					X
104	The cover page for the Company's Annual Report on Form 10-K for the year ended January 31, 2020, has been formatted in Inline XBRL and contained in Exhibit 101.					X

Indicates management contract or compensatory plan, contract or agreement.

† The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANAPLAN, INC.

By: /s/ Frank Calderoni
Frank Calderoni
Chairman & Chief Executive Officer

Date: March 30, 2020

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Frank Calderoni and David H. Morton, Jr. and each of them, as his or her true and lawful attorneys-in-fact and agents, with power to act with or without the others and with full power of substitution and resubstitution, to do any and all acts and things and to execute any and all instruments which said attorneys and agents and each of them may deem necessary or desirable to enable the registrant to comply with the U.S. Securities Exchange Act of 1934, as amended, and any rules, regulations and requirements of the U.S. Securities and Exchange Commission thereunder in connection with the registrant's Annual Report on Form 10-K for the fiscal year ended January 31, 2020, or the Annual Report, including specifically, but without limiting the generality of the foregoing, power and authority to sign the name of the registrant and the name of the undersigned, individually and in his or her capacity as a director or officer of the registrant, to the Annual Report as filed with the U.S. Securities and Exchange Commission, to any and all amendments thereto, and to any and all instruments or documents filed as part thereof or in connection therewith; and each of the undersigned hereby ratifies and confirms all that said attorneys and agents and each of them shall do or cause to be done by virtue hereof.

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

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Frank Calderoni</u> Frank Calderoni	Chairman and Chief Executive Officer and Director (Principal Executive Officer)	March 30, 2020
<u>/s/ David H. Morton, Jr.</u> David H. Morton, Jr.	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 30, 2020
<u>/s/ Gagan Dhingra</u> Gagan Dhingra	Interim Chief Accounting Officer and Corporate Controller (Principal Accounting Officer)	March 30, 2020
<u>/s/ Robert E. Beauchamp</u> Robert E. Beauchamp	Director	March 30, 2020
<u>/s/ Susan L. Bostrom</u> Susan L. Bostrom	Director	March 30, 2020
<u>/s/ David F. Conte</u> David F. Conte	Director	March 30, 2020
<u>/s/ Allan Leinwand</u> Allan Leinwand	Director	March 30, 2020
<u>/s/ Sandesh Patnam</u> Sandesh Patnam	Director	March 30, 2020
<u>/s/ Suresh Vasudevan</u> Suresh Vasudevan	Director	March 30, 2020
<u>/s/ Rob Ward</u> Rob Ward	Director	March 30, 2020
<u>/s/ Yvonne Wassenaar</u> Yvonne Wassenaar	Director	March 30, 2020

DESCRIPTION OF REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description of the capital stock of Anaplan, Inc. ("us," "our," "we" or the "Company") is a summary of the rights of our capital stock and summarizes certain provisions of our amended and restated certificate of incorporation and our amended and restated bylaws. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been filed as exhibits to this Annual Report on Form 10-K, as well as to the applicable provisions of the Delaware General Corporation Law.

DESCRIPTION OF CAPITAL STOCK**General**

Our authorized capital stock consists of 1,775,000,000 shares, all with a par value of \$0.0001 per share, of which:

- 1,750,000,000 shares are designated common stock; and
- 25,000,000 shares are designated preferred stock.

Common Stock***Dividend Rights***

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and only then at the times and in the amounts that our board of directors may determine.

Voting Rights

The holders of our common stock are entitled to one vote per share. Stockholders do not have the ability to cumulate votes for the election of directors. Our amended and restated certificate of incorporation and amended and restated bylaws provide for a classified board of directors consisting of three classes of approximately equal size, each serving staggered three-year terms. Only one class of directors is elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights and is not subject to conversion, redemption, or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our dissolution, liquidation, or winding-up, the assets legally available for distribution to our stockholders are distributable ratably among the holders of our common stock, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights and payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Preferred Stock

Our board of directors is authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences, and rights of the shares of each series and any associated qualifications, limitations or restrictions. Our board of directors also can increase or decrease the number of shares of any series, but not below the number of shares of that series then outstanding, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and may adversely affect the market price of our common stock and the voting and other rights of the holders of common stock. We have no current plan to issue any shares of preferred stock.

Anti-Takeover Provisions

Delaware Law

We are governed by the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. This section prevents some Delaware corporations from engaging, under some circumstances, in a business combination, which includes a merger or sale of at least 10% of the corporation's assets with any interested stockholder, meaning a stockholder who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of the corporation's outstanding voting stock, unless:

- the transaction is approved by the board of directors prior to the time that the interested stockholder became an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time that the stockholder became an interested stockholder the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by at least two-thirds of the outstanding voting stock which is not owned by the interested stockholder.

A Delaware corporation may "opt out" of these provisions with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or amended and restated bylaws resulting from a stockholders' amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Certificate of Incorporation and Bylaws Provisions

Our amended and restated certificate of incorporation and our amended and restated bylaws include a number of provisions that may have the effect of deterring hostile takeovers or delaying or preventing changes in control of our management team, including the following:

- ***Board of Directors Vacancies.*** Our amended and restated certificate of incorporation and amended and restated bylaws authorize our board of directors, subject to the rights of holders of any series of preferred stock, to fill vacant directorships, including newly-created seats. In addition, subject to the rights of holders of any series of preferred stock to elect directors, the number of directors constituting our board of directors is set only by resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder who did not have support from a majority of the board of directors from increasing the size of our board of directors and gaining control of our board of directors by filling the resulting vacancies with its own nominees.
 - ***Classified Board.*** Our amended and restated certificate of incorporation and amended and restated bylaws provide that our board of directors is classified into three classes of directors, each of which hold office for a three-year term. In addition, directors may only be removed from the board of directors for cause and only by the approval of 66 ²/₃% of our then-outstanding shares of our common stock. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors.
 - ***Stockholder Action; Special Meeting of Stockholders.*** Our amended and restated certificate of incorporation provide that stockholders are not able to take action by written consent, and are only able to take action at annual or special meetings of our stockholders. Stockholders are not permitted to cumulate their votes for the election of directors. Our amended and restated bylaws further provide that special meetings of our stockholders may be called only by a majority vote of our entire board of directors, the chairman of our board of directors or our chief executive officer.
 - ***Advance Notice Requirements for Stockholder Proposals and Director Nominations.*** Our amended and restated bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders, or to nominate candidates for election as directors at any meeting of stockholders. Our amended and restated bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions may preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our meetings of stockholders.
 - ***Issuance of Undesignated Preferred Stock.*** Our board of directors has the authority, without further action by the holders of common stock, to issue up to 25,000,000 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by the board of directors. The existence of authorized but unissued shares of preferred stock enable our board of directors to render more difficult or discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or otherwise.
-

- **Amendment of Certificate of Incorporation and Bylaws Provisions.** Certain amendments to our amended and restated certificate of incorporation require approval by holders of 66 ²/₃% of the voting power of our then-outstanding capital stock entitled to vote. Our amended and restated bylaws provide that the approval of holders of 66 ²/₃% of the voting power of our then-outstanding capital stock entitled to vote is required for stockholders to amend or adopt any provision of our bylaws. This will have the effect of making it more difficult to amend our amended and restated certificate of incorporation or amended and restated bylaws to remove or modify any existing provisions.

Choice of Forum

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws or any action asserting a claim against us that is governed by the internal affairs doctrine. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions in our certificate of incorporation to be inapplicable or unenforceable.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Computershare Trust Company, N.A. The transfer agent's address is 250 Royall Street, Canton, Massachusetts 02021, and its telephone number is 1-800-736-3001.

Listing

Our common stock is listed on the New York Stock Exchange under the symbol "PLAN."



January 29, 2019

Ana Pinczuk

(Delivered via email)

Re: **EMPLOYMENT AGREEMENT**

Dear Ana:

On behalf of Anaplan, Inc., a Delaware corporation (the "Company"), I am pleased to offer you the position of Senior Vice President, Chief Transformation Officer. Your employment by the Company shall be governed by the following terms and conditions (this "Agreement");

1. **Duties and Scope of Employment.**

(a) **Position.** For the term of your employment under this Agreement (your "Employment"), the Company agrees to employ you in the position of Senior Vice President, Chief Transformation Officer. You will report to the Company's Chief Executive Officer. You will perform the duties and have the responsibilities and authority customarily performed and held by an employee in your position or as otherwise may be reasonably assigned or delegated to you by the Company's Chief Executive Officer. You will work primarily at the Company's global headquarters in California, which is currently located in San Francisco, and from time to time other locations, including, without limitation, the Company's offices worldwide.

(b) **Obligations to the Company.** During your Employment, you shall devote your full business efforts and time to the Company. During your Employment, without the prior written approval of the Company's Chief Executive Officer, you shall not render services in any capacity to any other person or entity and shall not engage in any other employment, consulting or other business activity, in each case that would conflict in any way with your obligations hereunder. In addition, you shall not during your Employment act as a sole proprietor or partner of any other person or entity or own more than five percent (5%) of the stock of any other corporation. Notwithstanding the foregoing, you may manage personal investments or, with the prior written consent from the Company's Chief Executive Officer, serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements or teach at educational institutions; provided that any such activities do not individually or in the aggregate interfere with the performance of your duties under this Agreement. You shall comply with the Company's policies and rules, as they may be in effect from time to time during your Employment, including without limitation any conduct policy and any incentive compensation clawback policy.

(c) **No Conflicting Obligations.** You represent and warrant to the Company that you are under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations under this Agreement. In connection with your Employment, you shall not use or disclose any trade secrets or other proprietary information or intellectual

property in which you or any third party (whether alone or with you) has any right, title or interest, and your Employment does not and shall not infringe or violate the rights of any other party. You represent and warrant to the Company that you have returned all property and confidential information belonging to any prior employer.

(d) **Severance.** You will be eligible to enter into a Change in Control and Severance Agreement with the Company that is applicable to you based on your senior position within the Company (such agreement, your “Severance Agreement”), a copy of which is attached hereto as **Exhibit D**. Your Severance Agreement will specify the severance payments and benefits you would be entitled to in connection with certain terminations of employment and certain corporate transactions. These protections will supersede all other severance or other benefits you would otherwise be entitled to under any plan, program or policy that the Company may have in effect from time to time.

(e) **Commencement Date.** You shall commence full-time Employment as soon as reasonably practicable and in no event later than February 4, 2019, or such other date as to which you and the Company mutually agree.

2. **Cash and Incentive Compensation.**

(a) **Salary.** Any cash compensation for which you are eligible is explained in **Exhibit A** attached to this Agreement and incorporated hereto by this reference. **Exhibit A** is an integral part of this Agreement and the Company and you intend that this Agreement and **Exhibit A** be read together as an integrated agreement.

(b) **Equity Grants.** Any equity compensation for which you are eligible is explained in **Exhibit A**.

3. **Employee Benefits.** During your Employment, you shall be eligible to participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** The Company will reimburse you for your necessary and reasonable business expenses incurred in connection with your duties hereunder upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company’s generally applicable policies; provided that any such reimbursement must be paid on or before the last day of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and no such reimbursement shall be subject to liquidation or exchange for another benefit.

5. **Termination.**

(a) **Employment at Will.** Your Employment shall be for no specific period of time and shall be “at will,” meaning that either you or the Company shall be entitled to terminate your Employment at any time and for any reason, without prior notice and with or without Cause.

Any contrary representations which may have been made to you shall be superseded by this Agreement. Further, your participation in any equity-based or benefit program is not to be regarded as assuring you of continuing employment for any particular period of time. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at-will" nature of your Employment, may only be changed in an express written agreement signed by you and the Company's Chief Executive Officer.

(b) **Rights Upon Termination.** Except as expressly provided in this Agreement, upon the termination of your Employment, you shall only be entitled to the compensation and benefits earned and the reimbursements described in this Agreement for the period preceding the effective date of the termination.

6. **Pre-Employment Conditions.**

(a) **Employee Inventions and Proprietary Information Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Employee Inventions and Proprietary Information Agreement (the "**Confidentiality Agreement**"), a copy of which is attached hereto as **Exhibit B**.

(b) **Right to Work.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your first day of employment with the Company (such first day, your "Start Date"), or our employment relationship with you may be terminated.

7. **Insurance.** The Company shall, to the maximum extent permitted by law, include you during your Employment with the Company under any directors and officers liability insurance policy that it maintains for similarly situated executives, with coverage at least as favorable to you in amount and each other material respect as the coverage of other similarly situated executives covered thereby (including, if applicable, with respect to coverage for proceedings based or threatened following the termination of your Employment). Such obligations shall be binding upon the Company's successors and assigns and shall inure to the benefit of your heirs and personal representatives. For the avoidance of doubt, this Section 7 shall not require the Company to obtain directors and officers liability insurance for its officers or executives.

8. **Indemnification.** The Company shall, to the maximum extent required by law, indemnify you to the same extent it indemnifies other similarly situated executives if you are made a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that you are or were an executive of the Company or are or were serving at the request of the Company, as a director, officer, member, employee or agent of the Company. For the avoidance of doubt, this Section 8 shall not require the Company to indemnify its officers or executives beyond indemnification that is required under the Delaware General Corporation Law.

9. **Successors.**

(a) **Company's Successors.** This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "**Company**" shall include any successor to the Company's business or assets that becomes bound by this Agreement.

(b) **Your Successors.** This Agreement and all of your rights hereunder shall inure to the benefit of, and shall be enforceable by and binding upon, your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amounts are due and payable to you hereunder, all such unpaid amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your designated beneficiary, if living, or otherwise to the personal representative of your estate. Any other attempted assignment, transfer, conveyance, or other disposition of your right to compensation or other benefits will be null and void without the Company's written consent.

10. **Arbitration.** As a condition of your continued Employment, you agree to sign the Company's standard Alternative Dispute Resolution Agreement (the "**Arbitration Agreement**"), which is attached hereto as **Exhibit C**.

11. **Miscellaneous Provisions.**

(a) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In your case, mailed notices shall be addressed to you at the home address that you most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by you and by an authorized officer of the Company (other than you). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement.** No other agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement, the Confidentiality Agreement, the Arbitration Agreement and the Change in Control and Severance Agreement contain the entire understanding of the parties with respect to the subject matter hereof.

(d) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(e) **Choice of Law and Severability.** This Agreement shall be interpreted in accordance with the laws of the State of California without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "Law"), then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(f) **No Assignment.** This Agreement and all of your rights and obligations hereunder are personal to you and may not be transferred or assigned by you at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with a merger or acquisition or sale or transfer of all or a substantial portion of the Company's assets to such entity. This Agreement may also be assigned by the Company to a division or subsidiary entity that is owned or controlled by the Company.

(g) **Counterparts.** This Agreement may be executed electronically or in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party (including by means of electronic delivery or facsimile), it being understood that the parties need not sign the same counterpart.

[Signature Page Follows]

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, the Arbitration Agreement and the Change in Control and Severance Agreement, on or before the close of business on January 30, 2019. The Company requests that you begin work in this new position on or before February 4, 2019, or such other date as to which you and the Company mutually agree. Please indicate the date (either on or before the aforementioned date) on which you expect to begin work in the space provided below (the "Commencement Date"). This offer is contingent upon a successful reference check.

Very truly yours,

ANAPLAN

By: /s/ FRANK CALDERONI
(Signature)

Name: Frank Calderoni

Title: Chief Executive Officer

ACCEPTED AND AGREED:

ANA PINCZUK

/s/ ANA PINCZUK
(Signature)

January 30, 2019
Date

Anticipated Commencement Date: February 4, 2019 (or earlier)

Exhibit A

Cash and Incentive Compensation

(a) **Cash Compensation.**

(i) **Annual Base Salary.** The Company shall pay you as compensation for your services an initial annual base salary at a gross annual rate of **\$350,000** payable in United States Dollars (“Annual Base Salary”). Such salary shall be payable in accordance with the Company’s standard payroll procedures. This Annual Base Salary will be subject to review, and adjustments will be made to it based upon, the Company’s normal performance review practices.

(ii) **Annual Incentive Bonus.** In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company’s Chief Executive Officer and approved by the Company’s Board of Directors or an authorized committee thereof. The target amount of your annual incentive bonus shall be equal to **60% of your Annual Base Salary** and you may be able to earn up to two-times such targeted amount; for clarity, any bonus for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed by the Company during that fiscal year. To the extent the Company determines that you earned an annual bonus for a fiscal year, such bonus shall be subject to the usual, required withholdings and deductions. Your annual bonus target will be subject to review and adjustments will be made to it based upon the Company’s normal performance review practices. Any bonus for a fiscal year will be paid within two and one-half months after the end of that fiscal year, but only if you are employed by the Company on the last day of the fiscal year to which the bonus relates.

(b) **Equity Grants.**

(i) **Stock Options.** [Subject to the approval of the Company’s Board of Directors or its Compensation Committee, you will be granted an option to purchase 70,000 shares of the Company’s Common Stock (the “Option”). The exercise price per share of the Option will be determined by the Board of Directors or the Compensation Committee when the Option is granted. The Option will be subject to the terms and conditions applicable to options granted under the Company’s 2018 Equity Incentive Plan, as amended (the “Plan”), as described in the Plan and the applicable notice of stock option and stock option agreement (collectively, the “Stock Option Agreement”). The Option vests and becomes exercisable with respect to 1/4th of the shares subject to the Option when you complete twelve months of continuous service as an employee or consultant (“Service”) after the vesting commencement date (as stated in the applicable Stock Option Agreement) and an additional 1/48th of the shares subject to the Option when you complete each month of continuous Service thereafter, as further described in the applicable Stock Option Agreement. For clarity, the grant of the Option does not confer any right to continue vesting or employment.

(iii) **Restricted Stock Units.** Subject to the approval of the Company’s Board of Directors or its Compensation Committee, you will be granted an award of 250,000 Restricted Stock Units (the “RSUs”). The RSUs will be subject to the terms and conditions of the Company’s 2018 Equity Incentive Plan, as amended (the “Plan”) and a notice of restricted stock unit award and restricted stock unit agreement (collectively, the “RSU Award Agreement”). As will be more fully described in the RSU Award Agreement, the RSUs shall vest in installments as follows: (i) all of the Initial Installment RSUs shall vest if you remain in continuous service as an employee or consultant (“Service”) through the Initial Installment Date and (ii) 1/12th of the Subsequent Installment RSUs shall vest on each of the next twelve successive Quarterly Installment Dates after the Initial Installment Date if you remain in continuous Service on each such Quarterly Installment Date.

The “Initial Installment RSUs” shall equal the product of one forty-eighth (1/48th) of the total number of RSUs subject to your award multiplied by each full calendar month (i.e., the first day of a calendar month through the

last day of such month) of continuous Service you complete beginning on your vesting commencement date (as set forth in the RSU Award Agreement) through the Initial Installment Date (and, for purposes of this determination, the month in which your vesting commencement date occurs shall be deemed a full calendar month of Service if such month is March, June, September or December and your vesting commencement date occurred during the first ten days of that month). The “Initial Installment Date” shall mean the first Quarterly Installment Date that occurs on or after you complete 12 months of continuous Service following your vesting commencement date. “Quarterly Installment Date” shall mean each March 10, June 10, September 10 and December 10, as applicable. “Subsequent Installment RSUs” shall equal the total number of RSUs subject to your award minus the number of Initial Installment RSUs.

(iii) **Retention Bonus.** The Company will pay you a non-recurring cash retention bonus of \$100,000 (the “Retention Bonus”).

While you will not actually earn the full amount of the Retention Bonus unless you remain a full-time employee through (or are subject to an Involuntary Termination, as defined below, prior to) the first anniversary of your Start Date, 50% of the Retention Bonus will be paid to you on the Company’s first ordinary payroll day following the thirty (30) day anniversary of your Start Date, and the remainder will be paid to you on the Company’s first ordinary payroll day following the six (6) month anniversary of your Start Date. Accordingly, if your employment ends for any reason (other than an Involuntary Termination) before the six-month anniversary of your Start Date (the “First Installment Period”) you shall be required to repay 8.33% of the Retention Bonus for each full or partial month remaining in the First Installment Period, and if your employment ends for any reason (other than an Involuntary Termination) on or after the six-month anniversary of your Start Date and before the one-year anniversary of your Start Date (the “Second Installment Period”) you shall be required to repay 8.33% of the Retention Bonus for each full or partial month remaining in the Second Installment Period, which repayment to be made within 30 days following such termination. In the event your employment ends on account of your Involuntary Termination, you will not be required to repay any portion of the Retention Bonus paid to you.

(c) **Severance.** You will be eligible to enter into a Severance Agreement with the Company that is applicable to you based on your senior position within the Company, the terms of which Agreement will specify the severance payments and benefits you would be entitled to in connection with certain terminations of employment and certain corporate transactions. These protections will supersede all other severance or other benefits you would otherwise be entitled to under any plan, program or policy that the Company may have in effect from time to time

(d) **Definitions.** The following terms have the meaning set forth below wherever they are used in this letter agreement:

(1) “Cause” means (a) your unauthorized use or disclosure of the Company’s confidential information or trade secrets, which use or disclosure causes material harm to the Company, (b) your commission of an act of material dishonesty in connection with your responsibilities as an employee; (c) your continuing failure to substantially perform your assigned duties or responsibilities as an employee as directed or assigned by the Company’s Chief Executive Officer or the Company’s Board of Directors (other than a failure resulting from your Permanent Disability) after written notice thereof to you from the Company describing in reasonable detail of the basis of your failure to perform such duties or responsibilities and you having had the opportunity to address the Company’s Chief Executive Officer or, if applicable, the Company’s Board of Directors regarding such alleged failures and your failure to remedy said non-performance to the Company’s satisfaction within 30 days of receiving such written notice; (d) your conviction of, or your plea of “guilty” or “no contest” to, a felony under the laws of the United States or any State; (e) your engagement in gross misconduct and such misconduct is materially and demonstrably injurious to the Company; (f) your failure to comply with the material terms of any written Company policy or rule as they may be in effect from time to time during your employment and such failure is materially and demonstrably injurious to the Company; or (g) your failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation.

(2) “Change in Control” means (a) the consummation of a merger or consolidation of the Company with or into another entity, (b) the sale of all or substantially all of the assets of the Company, or (c) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or consolidation of the Company does not constitute a “Change in Control” if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company’s stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company’s capital stock immediately prior to the merger or consolidation. For the avoidance of doubt, the RSU Award Agreement will provide for a different definition of Change in Control that will apply to the RSUs awarded to you.

(3) “Initial Public Offering” means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which shares of the Company’s Common Stock shall be publicly held.

(4) “Involuntary Termination” means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

(5) “Resignation for Good Reason” means a Separation as a result of your resignation within 12 months after one of the following conditions has come into existence without your consent:

(a) a material reduction in your authority, duties or responsibilities; provided that neither a mere change in title alone nor reassignment following a Change of Control to a position that is substantially similar to the position held prior to the transaction shall constitute a material reduction in job responsibilities;

(b) the Company (or a successor, if appropriate) requires you to relocate to a facility or location more than fifty (50) miles away from the location at which you were working immediately prior to the required relocation; or

(c) a reduction by the Company (or a successor, if appropriate) of more than ten percent (10%) in your then-current Annual Base Salary or the target amount of your then-current annual incentive bonus (other than as part of an across-the-board, proportional base salary reduction and/or target bonus amount reduction applicable to all similarly situated executives).

Notwithstanding anything to the contrary herein, in order to resign for Good Reason, you must provide written notice to the Company’s Board of Directors or its Compensation Committee (or, if applicable, a successor’s board of directors or its compensation committee) within 90 days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation; (ii) allow the Company (or a successor, if appropriate) at least 30 days from receipt of such written notice to cure such event; and (iii) if such event is not reasonably cured within such period, your resignation from all positions you then hold with the Company (or a successor, if appropriate) shall become effective not later than 30 days after the expiration of the applicable cure period.

(6) “Permanent Disability” means you are unable to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Internal Revenue Code and shall be determined by the Company on the basis of such medical evidence as the Company deems warranted under the circumstances.

(7) “Separation” means a “separation from service,” as defined in the regulations under Section 409A of the Code.

(8) it shall have the meaning set forth in the Plan.

“Service” shall have the meaning ascribed in the applicable award agreement or, if not defined therein,

(9) the Company without Cause other than for death or Permanent Disability, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(l).

“Termination Without Cause” means a Separation as a result of a termination of your employment by

ACCEPTED AND AGREED:

ANAPLAN, INC.

ANA PINCZUK

/s/ ANA PINCZUK
(Signature)

By: /s/ FRANK CALDERONI

Date: January 30, 2019

Name: Frank Calderoni
Title: Chief Executive Officer

Exhibit B

EMPLOYEE INVENTIONS AND PROPRIETARY INFORMATION AGREEMENT

The following agreement (the "Agreement") between Anaplan, Inc., a Delaware corporation (the "Company"), and the individual identified on the signature page to this Agreement ("Employee" or "I") is effective as of the first day of Employee's employment by the Company and confirms and memorializes the agreement that (regardless of the execution date hereof) the Company and I have had since the commencement of my employment (which term, for purposes of this Agreement, shall be deemed to include any relationship of service to the Company that I may have had prior to actually becoming an employee). I acknowledge that this Agreement is a material part of the consideration for my employment or continued employment by the Company. In exchange for the foregoing and for other good and valuable consideration, including my access to and use of the Company's Inventions (defined below) and Proprietary Information (defined below) for performance of my employment, training and/or receipt of certain other valuable consideration, the parties agree as follows:

1. **No Conflicts.** I have not made, and agree not to make, any agreement, oral or written, that is in conflict with this Agreement or my employment with the Company. I will not violate any agreement with, or the rights of, any third party. When acting within the scope of my employment (or otherwise on behalf of the Company), I will not use or disclose my own or any third party's confidential information or intellectual property (collectively, "Restricted Materials"), except as expressly authorized by the Company in writing. Further, I have not retained anything containing or reflecting any confidential information or intellectual property of a prior employer or other third party, whether or not created by me.

2. Inventions.

a. **Definitions.** "Company Interest" means any of the Company's current and anticipated business, research and development, as well as any product, service, other Invention or Intellectual Property Rights (defined below) that is sold, leased, used, licensed, provided, proposed, under consideration or under development by the Company. "Intellectual Property Rights" means any and all patent rights, copyright rights, trademark rights, mask work rights, trade secret rights, *sui generis* database rights and all other intellectual and industrial property rights of any sort throughout the world (including any application therefor and any rights to apply therefor, as well as all rights to pursue remedies for infringement or violation thereof). "Invention" means any idea, concept, discovery, learning, invention, development, research, technology, work of authorship, trade secret, software, firmware, content, audio-visual material, tool, process, technique, know-how, data, plan, device, apparatus, specification, design, prototype, circuit, layout, mask work, algorithm, program, code, documentation or other material or information, tangible or intangible, and all versions, modifications, enhancements and derivative works thereof, whether or not it may be patented, copyrighted, trademarked or otherwise protected.

b. **Assignment.** The Company shall own, and I hereby assign and agree to assign, all right, title and interest in and to all Inventions (including all Intellectual Property Rights therein, related thereto or embodied therein) that are collected, made, conceived, developed, reduced to practice or set out in any tangible medium of expression or otherwise created, in whole or in part (collectively "Created"), by me during the term of my employment with the Company that either (i) arise out of any use of the Company's facilities, equipment, Proprietary Information or other assets (collectively "Company Assets") or any research or other

activity conducted by, for or under the direction of the Company (whether or not conducted (A) at the Company's facilities; (B) during working hours or (C) using Company Assets), or (ii) are useful with or in or relate directly or indirectly to any Company Interest. I will promptly disclose and provide all of the foregoing Inventions (the "Assigned Inventions") to the Company. However, the foregoing does not purport to assign to the Company (and Assigned Inventions shall not include) any Invention that: (1) by law (including, without limitation, the applicable statutory provision for my state of employment set forth in Appendix A, if any) I cannot be required to so assign; or (2) otherwise meets all of the following requirements: (I) the Invention is Created entirely on my own time; (II) the Invention is Created entirely without use of any Company Assets and (III) the Invention is not useful with or related to any Company Interest. Nevertheless, if I believe any Invention Created by me during the term of my employment is not within the definition of Assigned Inventions, I will nevertheless disclose it to the Company so that the Company may make its assessment.

c. **Assurances.** I hereby make and agree to make all assignments to the Company necessary to effectuate and accomplish the Company's ownership in and to all Assigned Inventions. I will further assist the Company, at its expense, to evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce and defend any rights specified to be so owned or assigned. I hereby irrevocably designate and appoint the Company and its officers as my agents and attorneys-in-fact, coupled with an interest, to act for and on my behalf to execute and file any document and to perform all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by me.

d. **Other Inventions.** If (i) I use or disclose any Restricted Materials when acting within the scope of my employment (or otherwise to or on behalf of the Company) or (ii) any Assigned Invention cannot be fully made, used, reproduced, sold, distributed, modified, commercialized or otherwise exploited (collectively, "Exploited") without using, misappropriating, infringing or violating any Restricted Materials, I hereby grant and agree to grant to the Company a perpetual, irrevocable, worldwide, fully paid-up, royalty-free, non-exclusive, assignable, transferable, sublicensable right and license to use, disclose, fully Exploit and exercise all rights in such Restricted Materials and all Intellectual Property Rights embodied therein or related thereto. I will not use or disclose any Restricted Materials for which I am not fully authorized to grant the foregoing license.

e. **Moral Rights.** To the extent allowed by applicable law, the terms of this Section 2 include all rights of paternity, integrity, disclosure, withdrawal and any other rights that may be known or referred to as moral rights, artist's rights, droit moral or the like (collectively, "Moral Rights"). To the extent I retain any such Moral Rights under applicable law, I hereby ratify and consent to any action that may be taken with respect to such Moral Rights by or authorized by the Company, and agree not to assert any Moral Rights with respect thereto. I will confirm any such ratification, consent or agreement from time to time as requested by the Company. Furthermore, I agree that notwithstanding any rights of publicity, privacy or otherwise (whether or not statutory) anywhere in the world and without any further compensation, the Company may and is hereby authorized to use my name, likeness and voice in connection with promotion of its business, products and services, and to allow others to do the same.

3. **Proprietary Information.**

a. **Definition; Restrictions on Use.** I agree that all Assigned Inventions (and all other financial, business, legal and technical information regarding or relevant to any Company Interest that is not generally publicly known), including the identity of and any other information relating to the Company's employees, Affiliates and Business Partners (as such terms are defined below), that I develop, learn or obtain during my employment or that are received by or for the Company in confidence, constitute "Proprietary Information." I will hold in strict confidence and not directly or indirectly disclose or use any Proprietary Information, except as required within the scope of my employment. My obligation of nondisclosure and nonuse of Proprietary Information under this Section shall continue until I can document that it is or becomes readily generally available to the public without restriction through no fault of mine (including breach of this Agreement) or, if a court requires a shorter duration, then the maximum time allowable by law will control. Furthermore, I understand that this Agreement does not affect my immunity under 18 USC Sections 1833(b) (1) or (2), which read as follows:

- (1) An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
- (2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

b. **Upon Termination.** Upon termination of my employment (for any or no reason, whether voluntary or involuntary), I will promptly identify and, as directed by the Company, destroy, delete or return to the Company all items containing or embodying Proprietary Information (including all

original or copies of content, whether in electronic or hard-copy form), except that I may keep my personal copies of (i) my compensation records; (ii) materials distributed to shareholders generally and (iii) this Agreement.

c. **Company Systems.** I also recognize and agree that I have no expectation of privacy with respect to the Company's networks, telecommunications systems or information processing systems (including, without limitation, stored computer files, email messages and voicemail messages or other devices (including personal devices) in which Company Proprietary Information resides, is stored or is passed through ("Company Systems"), and in order to ensure compliance with work rules and safety concerns, the Company or its agents may monitor, at any time and without further notice to me, any Company Systems and any of my activity, files or messages on or using any Company Systems, regardless of whether such activity occurs on equipment owned by me or the Company. I further agree that any property situated on the Company's premises and owned, leased or otherwise possessed by the Company, including computers, computer files, email, voicemail, storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I understand and acknowledge that (A) any such searches or monitoring efforts are not formal accusations of wrongdoing but rather part of the procedure of an investigation and (B) refusal to consent to such a search may be grounds for discipline.

4. **Restricted Activities.** For the purposes of this Section 4, the term "the Company" includes the Company and all other persons or entities that control, are controlled by or are under common control with the Company ("Affiliates") and for whom Employee performed responsibilities or about whom Employee has Proprietary Information.

a. **Definitions.** "Competitive Activities" means any direct or indirect non-Company activity (i) that is the same or substantially similar to Employee's responsibilities for the Company that relates to, is substantially similar to, or competes with the Company (or its demonstrably planned interests) at the time of Employee's termination from the Company; or (ii) involving the use or disclosure, or the likelihood of the use or disclosure, of Proprietary Information. Competitive Activities do not include being a holder of less than one percent (1%) of the outstanding equity of a public company. "Business Partner" means any past (*i.e.*, within the twelve (12) months preceding Employee's termination from the Company), present or prospective (*i.e.*, actively pursued by the Company within the twelve (12) months preceding Employee's termination from the Company) customer, vendor, supplier, distributor or other business partner of the Company with whom Employee comes into contact during Employee's employment with the Company or about whom Employee had knowledge by reason of Employee's relationship with the Company or because of Employee's access to Proprietary Information. "Cause" means to recruit, employ, retain or otherwise solicit, induce or influence, or to attempt to do so (provided that if I am a resident of California, "Cause" means to recruit, or otherwise solicit, induce or influence, or to attempt to do so). "Solicit", with respect to Business Partners, means to (A) service, take orders from or solicit the business or patronage of any Business Partner for Employee or any other person or entity, (B) divert, entice or otherwise take away from the Company the

business or patronage of any Business Partner, or to attempt to do so, or (C) solicit, induce or encourage any Business Partner to terminate or reduce its relationship with the Company.

b. **Acknowledgments.**

i. I acknowledge and agree that (A) the Company's business is highly competitive; (B) secrecy of the Proprietary Information is of the utmost importance to the Company, and I will learn and use Proprietary Information in the course of performing my work for the Company and (C) my position may require me to establish goodwill with Business Partners and employees on behalf of the Company and such goodwill is extremely important to the Company's success, and the Company has made substantial investments to develop its business interests and goodwill.

ii. I agree that the limitations as to time, geographical area and scope of activity to be restrained in this Section 4 are coextensive with the Company's footprint and my performance of responsibilities for the Company and are therefore reasonable and not greater than necessary to protect the goodwill or other business interests of the Company. I further agree that such investments are worthy of protection and that the Company's need for protection afforded by this Section 4 is greater than any hardship I may experience by complying with its terms.

iii. I acknowledge that my violation or attempted violation of the agreements in this Section 4 will cause irreparable damage to the Company or its Affiliates, and I therefore agree that the Company shall be entitled as a matter of right to an injunction out of any court of competent jurisdiction, restraining any violation or further violation of such agreements by me or others acting on my behalf. The Company's right to injunctive relief shall be cumulative and in addition to any other remedies provided by law or equity.

iv. Although the parties believe that the limitations as to time, geographical area and scope of activity contained herein are reasonable and do not impose a greater restraint than necessary to protect the goodwill or other business interests of the Company, if it is judicially determined otherwise, the limitations shall be reformed to the extent necessary to make them reasonable and not to impose a restraint that is greater than necessary to protect the goodwill or other business interests of the Company.

v. In any such case, the Company and I agree that the remaining provisions of this Section 4 shall be valid and binding as though any invalid or unenforceable provision had not been included.

c. **As an Employee.** During my employment with the Company, I will not directly or indirectly: (i) Cause any person to cease or reduce their services (as an employee or otherwise) to the Company (other than terminating subordinate employees in the course of my duties for the Company); (ii) Solicit any Business Partner; (iii) act in any capacity in or with respect to any commercial activity which competes, or is reasonably likely to compete, with any business that the Company conducts, proposes to conduct or demonstrably anticipates conducting, at any time during my employment with the Company or (iv) enter into an

employment, consulting or other similar relationship with another person or entity without the prior written consent of the Company.

d. **After Termination.** For the period of twelve (12) months immediately following my termination of employment with the Company (for any or no reason, whether voluntary or involuntary), I will not directly or indirectly: (i) Cause any person to cease or reduce their services (as an employee or otherwise) to the Company; or (ii) unless I am a resident of California (A) Solicit any Business Partner or (B) engage in any Competitive Activities (I) anywhere the Company offers its services or has customers during my employment with the Company or where my use or disclosure of Proprietary Information could materially disadvantage the Company regardless of my physical location; or (II) anywhere the Company offers its services or has customers and where I have responsibility for the Company or (III) anywhere within a fifty (50) mile radius of any physical location I work for the Company. The foregoing timeframes shall be increased by the period of time beginning from the commencement of any violation of the foregoing provisions until such time as I have cured such violation.

5. **Employment at Will.** I agree that this Agreement is not an employment contract for any particular term. I have the right to resign and the Company has the right to terminate my employment at will, at any time, for any or no reason, with or without cause. This Agreement does not purport to set forth all of the terms and conditions of my employment, and as an employee of the Company, I have obligations to the Company which are not described in this Agreement. However, the terms of this Agreement govern over any such terms that are inconsistent with this Agreement, and supersede the terms of any similar form that I may have previously signed. This Agreement can only be changed by a subsequent written agreement signed by the Chief Executive Officer or President of the Company, or an officer designee authorized in writing by the foregoing or the Company's Board of Directors.

6. **Survival.** I agree that any change or changes in my employment title, duties, compensation, or equity interest after the signing of this Agreement shall not affect the validity or scope of this Agreement. I agree that the terms of this Agreement, and any obligations I have hereunder, shall continue in effect after termination of my employment, regardless of the reason, and whether such termination is voluntary or involuntary, and that the Company is entitled to communicate my obligations under this Agreement to any of my potential or future employers. I will provide a copy of this Agreement to any potential or future employers of mine, so that they are aware of my obligations hereunder. This Agreement, and any obligations I have hereunder, also shall be binding upon my heirs, executors, assigns and administrators, and shall inure to the benefit of the Company, its Affiliates, successors and assigns. This Agreement and any rights and obligations of the Company hereunder may be freely assigned and transferred by the Company, in whole or part, to any third party.

7. **Miscellaneous.** Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Any legal action or proceeding relating to this Agreement shall be brought exclusively in the state or federal

courts located in or with jurisdiction over San Francisco County, California, and each party consents to the jurisdiction thereof; however, the Company may seek injunctive relief and specific performance in any court of competent jurisdiction. The failure of either party to enforce its rights under this Agreement at any time for any period shall not be construed as a waiver of such rights. Unless expressly provided otherwise, each right and remedy in this Agreement is in addition to any other right or remedy, at law or in equity, and the exercise of one right or remedy will not be deemed a waiver of any other right or remedy. If one or more provisions of this Agreement is held to be illegal or unenforceable under applicable law, such illegal or unenforceable portion shall be

limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable. I acknowledge and agree that any breach or threatened breach of this Agreement will cause irreparable harm to the Company for which damages would not be an adequate remedy, and, therefore, the Company is entitled to injunctive relief with respect thereto (without the necessity of posting any bond) in addition to any other remedies. This Employee Inventions and Proprietary Information Agreement may be executed electronically and/or in counterpart originals, each of which shall be deemed an original instrument for all purposes, but all of which shall comprise one and the same instrument.

[Signature Page Follows]

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS THAT IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, WITH THE UNDERSTANDING THAT I EITHER (1) HAVE RETAINED A COPY OF THIS AGREEMENT OR (2) MAY REQUEST A COPY OF THIS AGREEMENT FROM THE COMPANY AT ANY TIME.

COMPANY

By: /s/ FRANK CALDERONI

Name: Frank Calderoni

Title: Chief Executive Office

Dated: January 29, 2019

EMPLOYEE

By: /s/ ANA PINCZUK

Name: Ana Pinczuk

Address:

Dated: January 30, 2019

Appendix A

If I am employed by the Company in the State of California, the following provision applies:

California Labor Code Section 2870. Application of provision providing that employee shall assign or offer to assign rights in invention to employer.

- (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - (2) Result from any work performed by the employee for his employer.
- (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

If I am employed by the Company in the State of Delaware, the following provision applies:

Delaware Code, Title 19, § 805

Employee's right to certain inventions.

Any provision in an employment agreement which provides that the employee shall assign or offer to assign any of the employee's rights in an invention to the employee's employer shall not apply to an invention that the employee developed entirely on the employee's own time without using the employer's equipment, supplies, facility or trade secret information, except for those inventions that: (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. An employer may not require a provision of an employment agreement made unenforceable under this section as a condition of employment or continued employment.

If I am employed by the Company in the State of Illinois, the following provision applies:

Illinois Compiled Statutes Chapter 765, Section 1060/2.

Sec. 2. Employee rights to inventions - conditions. (1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this State and is to that extent void and unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this subsection.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this Section as a condition of employment or continuing employment. This Act shall not preempt existing common law applicable to any shop rights of employers with respect to employees who have not signed an employment agreement.

(3) If an employment agreement entered into after January 1, 1984, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work

performed by the employee for the employer.

If I am employed by the Company in the State of Kansas, the following provision applies:

Chapter 44.--LABOR AND INDUSTRIES

Article 1.--PROTECTION OF EMPLOYEES

44-130. Employment agreements assigning employee rights in inventions to employer; restrictions; certain provisions void; notice and disclosure. (a) Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

- (1) The invention relates to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or
- (2) the invention results from any work performed by the employee for the employer.

(b) Any provision in an employment agreement which purports to apply to an invention which it is prohibited from applying to under subsection (a), is to that extent against the public policy of this state and is to that extent void and unenforceable. No employer shall require a provision made void and unenforceable by this section as a condition of employment or continuing employment.

(c) If an employment agreement contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer shall provide, at the time the agreement is made, a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

- (1) The invention relates directly to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or
- (2) the invention results from any work performed by the employee for the employer.

(d) Even though the employee meets the burden of proving the conditions specified in this section, the employee shall disclose, at the time of employment or thereafter, all inventions being developed by the employee, for the purpose of determining employer and employee rights in an invention.

If I am employed by the Company in the State of Minnesota, the following provision applies:

Minnesota Statute Section 181.78. Subdivision 1.

Inventions not related to employment. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

If I am employed by the Company in the State of North Carolina, the following provision applies:

North Carolina General Statutes Section 66-57.1.

EMPLOYEE'S RIGHT TO CERTAIN INVENTIONS

Any provision in an employment agreement which provides that the employees shall assign or offer to assign any of his rights in an invention to his employer shall not apply to an invention that the employee developed entirely on his own time without using the employer's equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this section.

If I am employed by the Company in the State of Utah, the following provision applies:

34-39-2. Definitions.

As used in this chapter:

(1) "Employment invention" means any invention or part thereof conceived, developed, reduced to practice, or created by an employee which is:

(a) conceived, developed, reduced to practice, or created by the employee:

(i) within the scope of his employment;

(ii) on his employer's time; or

(iii) with the aid, assistance, or use of any of his employer's property, equipment, facilities, supplies, resources, or intellectual property;

(b) the result of any work, services, or duties performed by an employee for his employer;

(c) related to the industry or trade of the employer; or

(d) related to the current or demonstrably anticipated business, research, or development of the employer.

(2) "Intellectual property" means any and all patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications, and registrations relating to them.

34-39-3. Scope of act -- When agreements between an employee and employer are enforceable or unenforceable with respect to employment inventions -- Exceptions.

(1) An employment agreement between an employee and his employer is not enforceable against the employee to the extent that the agreement requires the employee to assign or license, or to offer to assign or license, to the employer any right or intellectual property in or to an invention that is:

(a) created by the employee entirely on his own time; and

(b) not an employment invention.

(2) An agreement between an employee and his employer may require the employee to assign or license, or to offer to assign or license, to his employer any or all of his rights and intellectual property in or to an employment invention.

(3) Subsection (1) does not apply to:

(a) any right, intellectual property or invention that is required by law or by contract between the employer and the United States government or a state or local government to be assigned or licensed to the United States; or

(b) an agreement between an employee and his employer which is not an employment agreement.

(4) Notwithstanding Subsection (1), an agreement is enforceable under Subsection (1) if the employee's employment or continuation of employment is not conditioned on the employee's acceptance of such agreement and the employee receives a consideration under such agreement which is not compensation for employment.

(5) Employment of the employee or the continuation of his employment is sufficient consideration to support the enforceability of an agreement under Subsection (2) whether or not the agreement recites such consideration.

(6) An employer may require his employees to agree to an agreement within the scope of Subsection (2) as a condition of employment or the continuation of employment.

(7) An employer may not require his employees to agree to anything unenforceable under Subsection (1) as a condition of employment or the continuation of employment.

(8) Nothing in this chapter invalidates or renders unenforceable any employment agreement or provisions of an employment agreement unrelated to employment inventions.

If I am employed by the Company in the State of Washington, the following provision applies:

TITLE 49. LABOR REGULATIONS

CHAPTER 49.44. VIOLATIONS -- PROHIBITED PRACTICES

(i) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that

extent against the public policy of this state and is to that extent void and unenforceable.

(ii) An employer shall not require a provision made void and unenforceable by subsection (1) of this section as a condition of employment or continuing employment.

(iii) If an employment agreement entered into after September 1, 1979, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

Exhibit C

ALTERNATIVE DISPUTE RESOLUTION AGREEMENT

READ THIS AGREEMENT CAREFULLY BECAUSE YOUR SIGNATURE BELOW CONFIRMS THAT YOU HAVE READ, UNDERSTAND AND AGREE TO ALL OF THE TERMS OF THIS ARBITRATION AGREEMENT.

Anaplan, Inc. (hereinafter referred to as the "Company") hopes and expects that your employment with the Company will be free of disputes and that we will not need to use the process set forth in this Alternative Dispute Resolution Agreement (the "Agreement"). However, in the event a dispute should arise, this Agreement sets forth the understanding between you and the Company to resolve any disputes between us through a final and binding arbitration process.

1. How This Agreement Applies

As a condition of your employment with the Company, you and the Company agree to all of the terms of this Agreement. This Agreement is governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and evidences a transaction involving commerce. This Agreement applies to any dispute arising out of or related to your employment with the Company (or one of its affiliates, subsidiaries or parents) or termination of your employment with the Company, regardless of the date that the dispute arose and this Agreement survives after the employment relationship between you and the Company terminates.

Except as it otherwise provides below, this Agreement is intended to apply to the resolution of disputes that otherwise would be resolved in a court of law or before a forum other than arbitration. Therefore, this Agreement requires all such disputes to be resolved only by a single arbitrator through final and binding arbitration and not by way of court or jury trial. Such disputes include without limitation disputes arising out of or relating to interpretation or application of this Agreement, including the enforceability, revocability or validity of this Agreement or any portion of this Agreement.

Except as this Agreement otherwise provides, this Agreement also applies, without limitation, to disputes arising out of or related to the employment relationship or termination of that relationship, trade secrets, unfair competition, compensation, classification, minimum wage, seating, expense reimbursement, overtime, breaks and rest periods, termination, or harassment and claims arising under the Uniform Trade Secrets Act, Civil Rights Act of 1964, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, California Fair Employment and Housing Act, California Family Rights Act, Employee Retirement Income Security Act (except for claims for employee benefits under any benefit plan sponsored by the Company and (a) covered by the Employee Retirement Income Security Act of 1974 or (b) funded by insurance), Affordable Care Act, Genetic Information Non-Discrimination Act, state statutes or regulations addressing the same or similar subject matters, and all other federal or state legal claims arising out of or relating to your employment or termination of employment.

2. Limitations On How This Agreement Applies

This Agreement does not apply to claims for workers' compensation, state disability insurance and state unemployment insurance benefits, except that claims for retaliation under these laws shall be subject to this Agreement.

This Agreement does not apply to any action for emergency or temporary injunctive relief in a court of law in accordance with applicable law, so long as that action is brought on an individual basis and not on a consolidated basis or on behalf of or as part of a collective or class action (a class action involves an arbitration or lawsuit where representative members of a group of individuals who share a common interest seek relief on behalf of the group) pursuant to Section 5 below (however, after the court issues a ruling concerning the emergency or temporary injunctive relief, you and the Company must submit any claim to arbitration pursuant to this Agreement).

This Agreement does not apply to any claims that would qualify to be heard and determined in small claims court any such claims may be heard in small claims court in lieu of arbitration under this Agreement at the request of you or the Company.

Regardless of any other terms of this Agreement, claims may be brought before, and remedies awarded by, an administrative agency if applicable law permits access to such an agency notwithstanding the existence of an agreement to arbitrate. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission (www.eeoc.gov), the U.S. Department of Labor (www.dol.gov), the National Labor Relations Board (www.nlr.gov), or the Office of Federal Contract Compliance Programs (www.dol.gov/esa/ofccp). Nothing in this

Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

3. The Arbitration Process

The arbitration shall be before a sole arbitrator (the "Arbitrator"), in accordance with the laws of the state in which you were employed with the Company at the time of the dispute. Any such arbitration shall be administered by JAMS and shall proceed according to the JAMS Employment Arbitration Rules (the "Rules") in effect as of the date on which arbitration is initiated. The JAMS Employment Arbitration Rules may be found at <http://www.jamsadr.com/rules-employment-arbitration/>. Where an inconsistency exists between the provisions of this Agreement and the Rules, the arbitrator will apply the provisions of this Agreement, which reflect the intent of the parties. The arbitration proceedings shall allow for discovery according to the Rules. The arbitrator in such a proceeding shall have the power to decide any motions brought by any party to the arbitration, including without limitation, motions for summary judgment and/or adjudication, and motions to dismiss and demurrers, prior to any arbitration hearing. The arbitrator shall issue a written decision on the merits. The arbitrator shall have the power to award any remedies, including without limitation, attorneys' fees and costs, available under applicable law. The Company shall pay for any administrative or hearing fees charged by JAMS except that, to the extent permitted by the JAMS Rules, you shall pay any filing fees associated with any arbitration that you initiate, but not in any event to exceed the filing fees that you would have paid if you had filed a complaint in a court of law having jurisdiction. Judgment on the award may be entered in any court having jurisdiction.

The location of the arbitration proceeding shall be no more than 45 miles from the place where you last worked for the Company, unless each party to the arbitration agrees in writing otherwise.

4. Starting The Arbitration

All claims in arbitration are subject to the same statutes of limitation that would apply in court.

5. Individual Claims Only

All disputes, claims or controversies subject to arbitration as set forth in this Agreement must be submitted to arbitration on an individual basis only and not as a representative, class and/or collective action proceeding on behalf of other individuals. Claims may not be joined or consolidated in arbitration with other disputes brought by or against another employee of the Company, unless agreed to by the parties. You and the Company agree to bring any dispute in arbitration on an individual basis only, and not on a class or collective basis. Accordingly,

There will be no right or authority for any dispute to be brought, heard or arbitrated as a class action ("Class Action Waiver"). The Class Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a class action and (2) a civil court of competent jurisdiction finds the Class Action Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances, the class action must be litigated in a civil court of competent jurisdiction.

There will be no right or authority for any dispute to be brought, heard or arbitrated as a collective action ("Collective Action Waiver"). The Collective Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a collective action and (2) a civil court of competent jurisdiction finds the Collective Action Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances, the collective action must be litigated in a civil court of competent jurisdiction.

There will be no right or authority for any dispute to be brought, heard or arbitrated as a representative action ("Representative Action Waiver"). The Representative Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a representative action and (2) a civil court of competent jurisdiction finds the Representative Action Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances, the representative action must be litigated in a civil court of competent jurisdiction.

To the fullest extent permitted by applicable law, there will be no right or authority for any dispute to be brought, heard or arbitrated as a private attorney general representative action ("Private Attorney General Waiver"). The Private Attorney General Waiver shall be severable from this Agreement in any case in which a civil court of competent jurisdiction finds the Private Attorney General Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances and where the claims is brought as a private attorney general, such private attorney general claim must be litigated in a civil court of competent jurisdiction.

Although you will not be retaliated against, disciplined or threatened with discipline as a result of you exercising your rights under Section 7 of the National Labor Relations Act by the filing of or participation in a class, collective, or representative action in any forum, the Company may lawfully seek enforcement of this Agreement and the Class Action Waiver, Collective Action Waiver, Representative Action Waiver, and Private Attorney General Waiver under the Federal Arbitration Act and seek dismissal of such class, collective, or representative actions or claims. Notwithstanding any other clause contained in this Agreement, any claim that all or part of the Class Action Waiver, Collective Action Waiver, Representative Action Waiver or Private Attorney General Waiver is invalid, unenforceable, unconscionable, void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator.

The Class Action Waiver, Collective Action Waiver, Representative Action Waiver and Private Attorney General Waiver shall be severable in any case in which the dispute is filed as an individual action and severance is necessary to ensure that the individual action proceeds in arbitration.

6. The Arbitration Hearing and Award

The parties will arbitrate their dispute before the Arbitrator, who shall confer with the parties regarding the conduct of the hearing and resolve any disputes the parties may have in that regard. The Arbitrator may award any party any remedy to which that party is entitled under applicable law, but such remedies shall be limited to those that would be available to a party in his or her individual capacity in a court of law for the claims presented to and decided by the Arbitrator, and no remedies that otherwise would be available to an individual in a court of law will be forfeited by virtue of this Agreement. The Arbitrator shall apply applicable controlling law and will issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Except as may be permitted or required by law, as determined by the Arbitrator, neither a party nor an Arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties. A court of competent jurisdiction shall have the authority to enter a judgment upon the award made pursuant to the arbitration.

7. Severability

If any one or more of the provisions of this Agreement is determined to be invalid, illegal or otherwise unenforceable, in whole or in part, then such provision, to the extent only that it is invalid, illegal, or otherwise unenforceable, shall be deemed modified to the extent necessary so that it is no longer invalid, illegal or otherwise unenforceable, and such provision will be enforced to the fullest extent permitted by law. If such modification is not possible, such provision, to the extent that it is invalid, illegal or otherwise unenforceable, shall be deemed severable from the remaining provisions of this Agreement, which shall remain in full force and effect and shall be liberally construed in order to carry out the intent of the parties as nearly as may be possible. The Class Action Waiver, Collective Action Waiver, Representative Action Waiver, and Private Attorney General Action Waiver shall be severable only as set forth in Section 5 above.

This Agreement does not create a contract of employment for any specific term or otherwise modify in any way the at-will employment relationship between you and the Company.

8. Enforcement of this Agreement

This Agreement is the full and complete agreement between you and the Company regarding the terms of this Agreement and this Agreement supersedes and replaces any prior agreements, representations or understandings, written, oral or otherwise, regarding its subject matter. This Agreement may only be modified in an express written agreement signed by you and an officer of the Company. Except as stated in Paragraph 5, above, in the event any portion of this Agreement is deemed unenforceable, the remainder of this Agreement will be enforceable.

I have read this Alternative Dispute Resolution Agreement and I understand its terms. I understand that under this Agreement, any covered claims that I may have with the Company will be resolved only through final and binding arbitration as described in this Agreement, and all such disputes shall be brought individually and not on a class or collective basis. Understanding all of the terms of this Agreement, I hereby agree to be bound by the terms of this Agreement.

/s/ ANA PINCZUK
Employee's Signature

January 30, 2019
Date Signed

Ana Pinczuk
Employee's Name (please print)

Exhibit D

CHANGE IN CONTROL AND SEVERANCE AGREEMENT – SR. EXECUTIVE

This Change In Control and Severance Agreement (the “**Agreement**”) is made by and between Anaplan, Inc. (the “**Company**”) and Ana Pinczuk (the “**Executive**”), effective on the date of the Company’s signature below (the “**Effective Date**”).

The Agreement provides certain change in control and severance protections to the Executive in connection with the involuntary termination of the Executive’s employment under the circumstances described in the Agreement.

The Company and the Executive agree as follows:

1. **Term of Agreement.** The Agreement will terminate on the earlier of: (i) the date on which all of the obligations under the Agreement have been satisfied; or (ii) the date on which the Executive experiences a Non-Qualified Termination.

2. **At-Will Employment.** The Company and the Executive acknowledge that the Executive’s employment is and will continue to be at-will, as defined under applicable law, except if otherwise specifically provided under the employment agreement between the Company and the Executive dated on or around January 18, 2019 (the “**Employment Agreement**”) or any subsequently adopted written formal employment agreement between the Company and the Executive.

3. **Severance Benefits.**

(a) **Non-CIC Qualified Termination.** If the Executive is subject to a Non-CIC Qualified Termination, the Executive will be eligible to receive the payments and benefits set forth in Section 3(a)(i) and 3(a)(ii) below. In addition, if the Executive is subject to a Non-CIC Qualified Termination and such termination is on account of the Executive’s death or Disability, then the Executive shall also be entitled to receive the benefits set forth in Section 3(a)(iii) below.

(i) **Salary Severance.** The Company will provide the Executive with severance payments over the 6 month period following the Non-CIC Qualified Termination in an aggregate amount equal to 50% of the Executive’s Base Salary; provided that if the Non-CIC Qualified Termination is on account of the Executive’s death or Disability, the Executive still instead receive a one-time lump-sum payment equal to 50% of the Executive’s Base Salary.

(ii) **COBRA Payment.** A lump-sum payment equal to 6 multiplied by the monthly COBRA premium that the Executive would be required to pay to continue group health coverage for the Executive and the Executive’s eligible covered dependents in effect on the date of termination of employment, based on the premium for the first month of COBRA coverage. Such cash payment will be taxable and will be made regardless of whether the Executive elects COBRA continuation coverage.

(iii) **Equity Vesting.** In the event the Non-CIC Qualified Termination is on account of the Executive’s death or Disability, then all of the then-unvested shares subject to each of the Executive’s then-outstanding equity awards will immediately vest and, in the case of

options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the then-outstanding portion of an equity award may vest and become exercisable under this provision). In the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at the greater of actual performance or 100% of target levels. Unless otherwise required under the next following two sentences or, with respect to awards subject to Section 409A of the Code, under Section 5(b) below, any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61st day following the Non-CIC Qualified Termination.

(b) CIC Qualified Termination. If the Executive is subject to a CIC Qualified Termination, the Executive will be eligible to receive the following payments and benefits from the Company:

(i) Salary Severance. A lump-sum payment equal to 100% of the Executive's Base Salary.

(ii) Bonus Severance. A lump-sum payment equal to 100% of the Executive's target annual bonus as in effect for the fiscal year in which the CIC Qualified Termination occurs.

(iii) COBRA Payment. A lump-sum payment equal to 12 multiplied by the monthly COBRA premium that the Executive would be required to pay to continue group health coverage for the Executive and the Executive's eligible covered dependents in effect on the date of termination of employment, based on the premium for the first month of COBRA coverage. Such cash payment will be taxable and will be made regardless of whether the Executive elects COBRA continuation coverage.

(iv) Equity Vesting. All of the then-unvested shares subject to each of the Executive's then-outstanding equity awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the then-outstanding portion of an equity award may vest and become exercisable under this provision). In the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at the greater of actual performance or 100% of target levels. Unless otherwise required under the next following two sentences or, with respect to awards subject to Section 409A of the Code, under Section 5(b) below, any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61st day following the CIC Qualified Termination. For the avoidance of doubt, if the Executive's Qualified Termination occurs prior to a Change in Control, then any unvested portion of the Executive's then-outstanding equity awards will remain outstanding for 3 months or the occurrence of a Change in Control (whichever is earlier) so that any additional benefits due on a CIC Qualified Termination can be provided if a Change in Control occurs within 3 months following the Qualified Termination (provided that in no event will the Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). In such case, if no Change in Control occurs within 3 months following a Qualified Termination, any unvested portion of the Executive's equity awards automatically will be forfeited permanently on the 3-month anniversary of the Qualified

Termination without having vested.

(c) Termination other than a Qualified Termination. If the termination of Executive's employment with the Company is a Non-Qualified Termination, then the Executive will not be entitled to receive severance or other benefits under the Agreement, other than the accrued rights described in Section 4 below.

(d) Non-Duplication of Payment or Benefits. If: (i) the Executive's Qualified Termination occurs prior to a Change in Control that qualifies Executive for severance payments and benefits under Section 3(a); and (ii) a Change in Control occurs within the 3-month period following Executive's Qualified Termination that qualifies Executive for severance payments and benefits under Section 3(b), then (A) the Executive will cease receiving any further payments or benefits under Section 3(a) and (B) the Executive will receive the payments and benefits under Section 3(b) instead but each of the payments and benefits otherwise payable under Section 3(b) will be offset by the corresponding payments or benefits the Executive already received under Section 3(a).

(e) Death of the Executive. If the Executive dies before all payments or benefits the Executive is entitled to receive under the Agreement have been paid, such unpaid amounts will be paid to the Executive's designated beneficiary, if living, or otherwise to the Executive's personal representative in a lump-sum payment as soon as possible following the Executive's death.

(f) Exclusive Remedy. In the event of a termination of the Executive's employment with the Company, the provisions of the Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in the Agreement. Notwithstanding the foregoing, the Agreement shall not limit any rights the Executive has with respect to accelerated vesting of any equity award under the applicable grant agreement or the applicable stock plan.

4. Accrued Compensation. On any termination of the Executive's employment with the Company, the Executive will be entitled to receive all expense reimbursements, accrued wages, and other benefits due to the Executive under any applicable Company-provided plan, policy or arrangement, including any earned but unpaid bonus amount for the Company's immediately preceding fiscal year. The Executive's rights under this Section 4 shall survive the termination of this Agreement until all such rights have been satisfied.

5. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. The Executive's receipt of any severance payments or benefits upon the Executive's Qualified Termination under Section 3 is subject to the Executive signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage any member of the Company, non-solicit provisions, and other standard terms and conditions) (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the date specified by the Company in the Release (the "**Release**

Deadline"); provided that the Release Deadline will be no later than 60 days following the Executive's Qualified Termination. If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 3. In no event will severance payments or benefits under Section 3 be paid or provided until the Release actually becomes effective and irrevocable. None of the severance payments and benefits payable upon such Executive's Qualified Termination under Section 3 will be paid or otherwise provided prior to the 60th day following the Executive's Qualified Termination. Except to the extent that payments are delayed under Section 5(b), on the first regular payroll pay day following the 60th day following the Executive's Qualified Termination, the Company will pay or provide the Executive the severance payments and benefits that the Executive would otherwise have received under Section 3 on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

(b) Section 409A. The Company intends that all payments and benefits provided under the Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated under Section 409A of the Code (collectively, "**Section 409A**") so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive, if any, under the Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the "**Deferred Payments**"), will be paid or otherwise provided until the Executive has a "**separation from service**" within the meaning of Section 409A. If, at the time of the Executive's termination of employment, the Executive is a "**specified employee**" within the meaning of Section 409A, then the payment of any Deferred Payments that are subject to Section 409A will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following the Executive's separation from service. Notwithstanding anything to the contrary above, if the accelerated vesting and/or settlement of any restricted stock units or other awards under Section 3(b)(iv) would subject such awards to imposition of the additional tax imposed under Section 409A, then the shares or property subject thereto shall be distributed or paid only at the time(s) and according to the schedule on which such distributions or payments were scheduled to be made under the original terms of the applicable award agreement(s). The Company reserves the right to amend the Agreement as it considers necessary or advisable, in its sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under the Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company reimburse the Executive for any taxes that may be imposed on the Executive as a result of Section 409A.

6. Limitation on Payments.

(a) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company member or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would: (i) constitute a "**parachute**

payment” within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then such Payment will be equal to the Best Results Amount. The “**Best Results Amount**” will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Executive’s receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive’s equity awards. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under the Agreement, and the Executive will not be reimbursed by any member of the Company Group or any of their respective affiliates.

(b) Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Executive prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Executive at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Executive will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Executive, and the Company will have no liability to the Executive for the determinations of the firm.

7. Definitions.

The following terms referred to in the Agreement will have the following meanings:

(a) “**Base Salary**” means the Executive’s annual base salary as in effect immediately prior to the Executive’s Qualified Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive’s annual base salary in effect immediately prior to such reduction) or, if the Executive’s Qualified Termination is a CIC Qualified Termination and such amount is greater, at the level in effect immediately prior to the Change in Control.

(b) “**Cause**” means the occurrence of any of the following: (i) the Executive’s conviction of, or plea of “**no contest**” to, a felony or any crime involving fraud or embezzlement; (ii) the Executive’s intentional misconduct; (iii) the Executive’s material failure to perform the Executive’s employment duties (other than as a result of a mental or physical incapacity that

results in or would reasonably be expected to result in the Executive's Disability); (iv) the Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other member of the Company Group or any other party to whom the Executive owes an obligation of nondisclosure as a result of the Executive's relationship with the Company; (v) an act of material fraud or dishonesty against the Company or any other member of the Company Group; (vi) the Executive's material violation of any policy of the Company or any other member of the Company Group or material breach of any written agreement with the Company or any other member of the Company Group; or (vii) the Executive's failure to cooperate with the Company or any other member of the Company Group in any investigation or formal proceeding. The Company will not terminate the Executive's employment for Cause without first providing the Executive with written notice specifically identifying the acts or omissions constituting the grounds for a Cause termination and, with respect to clauses (ii), (iii), (vi), and (vii), a reasonable cure period of not less than 10 business days following such notice to the extent such events are curable (as determined by the Company).

(c) **"Change in Control"** means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company, such event shall not be considered a Change in Control under this clause (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) Change in Effective Control of the Company. Individuals who are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided however that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes hereunder, be considered as a member of the Incumbent Board; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company

that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer of assets by the Company to an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company; or (B) a transfer of assets to a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the then-outstanding stock of the Company.

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, Persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

A transaction will not be a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A (as defined below).

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation; or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(d) "**Change in Control Period**" means the period beginning 3 months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(e) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(f) "**CIC Qualified Termination**" means a Qualified Termination that occurs during a Change in Control Period.

(g) "**Code**" means the Internal Revenue Code of 1986, as amended.

(h) "**Company Group**" means the Company and each of its subsidiaries.

(i) "**Disability**" means the Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, either: (i) unable to engage in any substantial gainful activity; or (ii) receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company member that is employing the Executive.

(j) "**Good Reason**" means the termination of the Executive's employment with the Company or such other applicable member of the Company Group by the Executive in accordance with the next sentence after the occurrence of one or more of the following events without the Executive's express written consent: (i) a material reduction of the Executive's

duties, authorities, or responsibilities relative to the Executive's duties, authorities, or responsibilities in effect immediately prior to such reduction; provided, however, that continued employment following a Change in Control with substantially the same duties, authorities, or responsibilities with respect to the Company's business and operations will not constitute "**Good Reason**" (for example, "**Good Reason**" does not exist if the Executive is employed by the Company or a successor with substantially the same duties, authorities, or responsibilities with respect to the Company's business that the Executive had immediately prior to the Change in Control regardless of whether the Executive's title is revised to reflect the Executive's placement within the overall corporate hierarchy or whether the Executive provides services to a subsidiary, affiliate, business unit or otherwise); (ii) a material reduction by the Company in the Executive's rate of annual base salary; provided, however, that, a reduction of annual base salary that also applies to substantially all other similarly situated employees of the Company will not constitute "**Good Reason**"; (iii) a material change in the geographic location of the Executive's primary work facility or location; provided, that a relocation of less than 35 miles from the Executive's then present location will not be considered a material change in geographic location; or (iv) the failure of the Company to obtain from any successor or transferee of the Company an express written and unconditional assumption of the Company's obligations to the Executive under the Agreement. In order for the termination of the Executive's employment with the Company to be for Good Reason, the Executive must not terminate employment without first providing written notice to the Company of the acts or omissions constituting the grounds for "**Good Reason**" within 90 days of the initial existence of the grounds for "**Good Reason**" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), such grounds must not have been cured during such time, and the Executive must terminate the Executive's employment within 30 days following the last day of the Cure Period.

(k) "**Non-CIC Qualified Termination**" means a Qualified Termination that occurs outside of a Change in Control Period.

(l) "**Non-Qualified Termination**" means a termination of the Executive's employment for any reason that is not a Qualified Termination.

(m) "**Qualified Termination**" means a termination of the Executive's employment either: (A) due to the Executive's death or Disability; (B) by the Company without Cause; or (C) by the Executive for Good Reason.

8. Successors.

(a) The Company's Successors. Any successor (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets must assume the obligations under the Agreement and agree expressly to perform the obligations under the Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Agreement, the terms "**Company**" and "**Company Group**" will include any successor to their business and/or assets which executes and delivers the assumption agreement described in this Section 8(a) or which becomes bound by the terms of the Agreement by operation of law.

(b) The Executive's Successors. The terms of the Agreement and all rights of the Executive under the Agreement will inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees.

9. Notice.

(a) General. All notices and other communications required or permitted under the Agreement shall be in writing and will be effectively given: (i) upon actual delivery to the party to be notified; (ii) 24 hours after confirmed facsimile transmission; (iii) 1 business day after deposit with a recognized overnight courier; or (iv) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the Executive, at the address the Executive shall have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

Anaplan, Inc.
50 Hawthorne St.
San Francisco, CA 94015
Attention: VP, Legal
E-mail:

(b) Notice of Termination. Any termination by the Company for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 9(a) of the Agreement. Such notice will indicate the specific termination provision in the Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than 30 days after the later of: (i) the giving of such notice; or (ii) the end of any applicable cure period). The failure by the Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason will not waive any right of the Executive under the Agreement or preclude the Executive from asserting such fact or circumstance in enforcing the Executive's rights under the Agreement.

10. Resignation. The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect such resignation.

11. Arbitration. Any controversy or claim arising out of or relating to the Agreement, or any breach of the Agreement, remains subject to the Alternative Dispute

Resolution Agreement signed as a condition of employment with the Company and attached as an exhibit to the Employment Agreement.

12. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by the Agreement, nor will any such payment be reduced by any earnings that the Executive may receive from any other source.

(b) Waiver: Amendment. No provision of the Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of the Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in the Agreement are for convenient reference only and do not form a part of the Agreement.

(d) Entire Agreement. The Agreement, together with the Employment Agreement and the Alternative Dispute Resolution Agreement, constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof.

(e) Choice of Law. This Agreement will be governed by the laws of the State of California without regard to California's conflicts of law rules that may result in the application of the laws of any jurisdiction other than California. To the extent that any lawsuit is permitted under this Agreement, the Executive hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in California for any lawsuit filed against the Executive by the Company.

(f) Severability. The invalidity or unenforceability of any provision or provisions of the Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(g) Withholding. All payments and benefits under the Agreement will be paid less applicable withholding taxes. The Company and the other members of the Company Group are authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld from such payments or benefits and make any other required payroll deductions. Neither the Company nor any other member of the Company Group will pay the Executive's taxes arising from or relating to any payments or benefits under the Agreement.

(h) Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature page follows.]

By its signature below, each of the parties signifies its acceptance of the terms of the Agreement, in the case of the Company by its duly authorized officer.

COMPANY

By: /s/ FRANK CALDERONI
Name: Frank Calderoni
Title: Chief Executive Officer
Date: January 29, 2019

THE EXECUTIVE

By: /s/ ANA PINCZUK
Name: Ana Pinczuk
Title: Chief Development Officer
Date: January 30, 2019



September 24, 2018

Vivie Lee

(Delivered via email)

Re: **EMPLOYMENT AGREEMENT**

Dear YY:

On behalf of Anaplan, Inc., a Delaware corporation (the "Company"), I am pleased to offer you the position of Senior Vice President, Chief Strategy Officer. Your employment by the Company shall be governed by the following terms and conditions (this "Agreement"):

1. **Duties and Scope of Employment.**

(a) **Position.** For the term of your employment under this Agreement (your "Employment"), the Company agrees to employ you in the position of Senior Vice President, Chief Strategy Officer. You will report to the Company's Chief Executive Officer. You will perform the duties and have the responsibilities and authority customarily performed and held by an employee in your position or as otherwise may be reasonably assigned or delegated to you by the Company's Chief Executive Officer. You will work primarily at the Company's global headquarters in California, which is currently located in San Francisco, and from time to time other locations, including, without limitation, the Company's offices worldwide.

(b) **Obligations to the Company.** During your Employment, you shall devote your full business efforts and time to the Company. During your Employment, without the prior written approval of the Company's Chief Executive Officer, you shall not render services in any capacity to any other person or entity and shall not engage in any other employment, consulting or other business activity, in each case that would conflict in any way with your obligations hereunder. In addition, you shall not during your Employment act as a sole proprietor or partner of any other person or entity or own more than five percent (5%) of the stock of any other corporation. Notwithstanding the foregoing, you may manage personal investments or, with the prior written consent from the Company's Chief Executive Officer, serve on civic or charitable boards or committees, deliver lectures, fulfill speaking engagements or teach at educational institutions; provided that any such activities do not individually or in the aggregate interfere with the performance of your duties under this Agreement. You shall comply with the Company's policies and rules, as they may be in effect from time to time during your Employment, including without limitation any conduct policy and any incentive compensation clawback policy.

(c) **No Conflicting Obligations.** You represent and warrant to the Company that you are under no obligations or commitments, whether contractual or otherwise, that are inconsistent with your obligations under this Agreement. In connection with your Employment,

you shall not use or disclose any trade secrets or other proprietary information or intellectual property in which you or any third party (whether alone or with you) has any right, title or interest, and your Employment does not and shall not infringe or violate the rights of any other party. You represent and warrant to the Company that you have returned all property and confidential information belonging to any prior employer.

(d) **Severance.** You will be eligible to enter into a Change in Control and Severance Agreement with the Company that is applicable to you based on your senior position within the Company (such agreement, your “Severance Agreement”), a copy of which is attached hereto as **Exhibit D**. Your Severance Agreement will specify the severance payments and benefits you would be entitled to in connection with certain terminations of employment and certain corporate transactions. These protections will supersede all other severance or other benefits you would otherwise be entitled to under any plan, program or policy that the Company may have in effect from time to time.

(e) **Commencement Date.** You shall commence full-time Employment as soon as reasonably practicable and in no event later than September 24, 2018, or such other date as to which you and the Company mutually agree.

2. **Cash and Incentive Compensation.**

(a) **Salary.** Any cash compensation for which you are eligible is explained in **Exhibit A** attached to this Agreement and incorporated hereto by this reference. **Exhibit A** is an integral part of this Agreement and the Company and you intend that this Agreement and **Exhibit A** be read together as an integrated agreement.

(b) **Equity Grants.** Any equity compensation for which you are eligible is explained in **Exhibit A**.

3. **Employee Benefits.** During your Employment, you shall be eligible to participate in the employee benefit plans maintained by the Company and generally available to similarly situated employees of the Company, subject in each case to the generally applicable terms and conditions of the plan in question and to the determinations of any person or committee administering such plan.

4. **Business Expenses.** The Company will reimburse you for your necessary and reasonable business expenses incurred in connection with your duties hereunder upon presentation of an itemized account and appropriate supporting documentation, all in accordance with the Company’s generally applicable policies; provided that any such reimbursement must be paid on or before the last day of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year will not affect the amount eligible for reimbursement in any subsequent year, and no such reimbursement shall be subject to liquidation or exchange for another benefit.

5. **Termination.**

(a) **Employment at Will.** Your Employment shall be for no specific period of time and shall be “at will,” meaning that either you or the Company shall be entitled to terminate

your Employment at any time and for any reason, without prior notice and with or without Cause. Any contrary representations which may have been made to you shall be superseded by this Agreement. Further, your participation in any equity-based or benefit program is not to be regarded as assuring you of continuing employment for any particular period of time. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at-will" nature of your Employment, may only be changed in an express written agreement signed by you and the Company's Chief Executive Officer.

(b) **Rights Upon Termination.** Except as expressly provided in this Agreement, upon the termination of your Employment, you shall only be entitled to the compensation and benefits earned and the reimbursements described in this Agreement for the period preceding the effective date of the termination.

6. **Pre-Employment Conditions.**

(a) **Employee Inventions and Proprietary Information Agreement.** Your acceptance of this offer and commencement of employment with the Company is contingent upon the execution, and delivery to an officer of the Company, of the Company's Employee Inventions and Proprietary Information Agreement (the "**Confidentiality Agreement**"), a copy of which is attached hereto as **Exhibit B**.

(b) **Right to Work.** For purposes of federal immigration law, you will be required to provide to the Company documentary evidence of your identity and eligibility for employment in the United States. Such documentation must be provided to us within three (3) business days of your first day of employment with the Company (such first day, your "**Start Date**"), or our employment relationship with you may be terminated.

7. **Insurance.** The Company shall, to the maximum extent permitted by law, include you during your Employment with the Company under any directors and officers liability insurance policy that it maintains for similarly situated executives, with coverage at least as favorable to you in amount and each other material respect as the coverage of other similarly situated executives covered thereby (including, if applicable, with respect to coverage for proceedings based or threatened following the termination of your Employment). Such obligations shall be binding upon the Company's successors and assigns and shall inure to the benefit of your heirs and personal representatives. For the avoidance of doubt, this Section 7 shall not require the Company to obtain directors and officers liability insurance for its officers or executives.

8. **Indemnification.** The Company shall, to the maximum extent required by law, indemnify you to the same extent it indemnifies other similarly situated executives if you are made a party or threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that you are or were an executive of the Company or are or were serving at the request of the Company, as a director, officer, member, employee or agent of the Company. For the avoidance of doubt, this Section 8 shall not require the Company to indemnify its officers or executives beyond indemnification that is required under the Delaware General Corporation Law.

9. **Successors.**

(a) **Company's Successors.** This Agreement shall be binding upon any successor (whether direct or indirect and whether by purchase, lease, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets. For all purposes under this Agreement, the term "**Company**" shall include any successor to the Company's business or assets that becomes bound by this Agreement.

(b) **Your Successors.** This Agreement and all of your rights hereunder shall inure to the benefit of, and shall be enforceable by and binding upon, your personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If you should die while any amounts are due and payable to you hereunder, all such unpaid amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your designated beneficiary, if living, or otherwise to the personal representative of your estate. Any other attempted assignment, transfer, conveyance, or other disposition of your right to compensation or other benefits will be null and void without the Company's written consent.

10. **Arbitration.** As a condition of your continued Employment, you agree to sign the Company's standard Alternative Dispute Resolution Agreement (the "**Arbitration Agreement**"), which is attached hereto as **Exhibit C**.

11. **Miscellaneous Provisions.**

(a) **Notice.** Notices and all other communications contemplated by this Agreement shall be in writing and shall be deemed to have been duly given when personally delivered or when mailed by U.S. registered or certified mail, return receipt requested and postage prepaid. In your case, mailed notices shall be addressed to you at the home address that you most recently communicated to the Company in writing. In the case of the Company, mailed notices shall be addressed to its corporate headquarters, and all notices shall be directed to the attention of its Secretary.

(b) **Modifications and Waivers.** No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by you and by an authorized officer of the Company (other than you). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) **Whole Agreement.** No other agreements, representations or understandings (whether oral or written and whether express or implied) which are not expressly set forth in this Agreement have been made or entered into by either party with respect to the subject matter hereof. This Agreement, the Confidentiality Agreement, the Arbitration Agreement and the Change in Control and Severance Agreement contain the entire understanding of the parties with respect to the subject matter hereof.

(d) **Withholding Taxes.** All payments made under this Agreement shall be subject to reduction to reflect taxes or other charges required to be withheld by law.

(e) **Choice of Law and Severability.** This Agreement shall be interpreted in accordance with the laws of the State of California without giving effect to provisions governing the choice of law. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is rendered illegal by any present or future statute, law, ordinance or regulation (collectively, the "Law"), then that provision shall be curtailed or limited only to the minimum extent necessary to bring the provision into compliance with the Law. All the other terms and provisions of this Agreement shall continue in full force and effect without impairment or limitation.

(f) **No Assignment.** This Agreement and all of your rights and obligations hereunder are personal to you and may not be transferred or assigned by you at any time. The Company may assign its rights under this Agreement to any entity that assumes the Company's obligations hereunder in connection with a merger or acquisition or sale or transfer of all or a substantial portion of the Company's assets to such entity. This Agreement may also be assigned by the Company to a division or subsidiary entity that is owned or controlled by the Company.

(g) **Counterparts.** This Agreement may be executed electronically or in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when one or more counterparts have been signed by each of the parties hereto and delivered to the other party (including by means of electronic delivery or facsimile), it being understood that the parties need not sign the same counterpart.

[Signature Page Follows]

We are all delighted to be able to extend you this offer and look forward to working with you. To indicate your acceptance of the Company's offer, please sign and date this letter in the space provided below and return it to me, along with a signed and dated original copy of the Confidentiality Agreement, the Arbitration Agreement and the Change in Control and Severance Agreement, on or before the close of business on September 24, 2018. The Company requests that you begin work in this new position on or before September 24, 2018, or such other date as to which you and the Company mutually agree. Please indicate the date (either on or before the aforementioned date) on which you expect to begin work in the space provided below (the "Commencement Date"). This offer is contingent upon a successful reference check.

Very truly yours,

ANAPLAN

By: /s/ FRANK CALDERONI
(Signature)

Name: Frank Calderoni

Title: Chief Executive Officer

ACCEPTED AND AGREED:

VIVIE LEE

/s/ VIVIE LEE
(Signature)

September 24, 2018
Date

Anticipated Commencement Date: September 24, 2018

Exhibit A

Cash and Incentive Compensation

(a) Cash Compensation.

(i) **Annual Base Salary.** The Company shall pay you as compensation for your services an initial annual base salary at a gross annual rate of **\$350,000** payable in United States Dollars (“**Annual Base Salary**”). Such salary shall be payable in accordance with the Company’s standard payroll procedures. This Annual Base Salary will be subject to review, and adjustments will be made to it based upon, the Company’s normal performance review practices.

(ii) **Annual Incentive Bonus.** In addition, you will be eligible to be considered for an incentive bonus for each fiscal year of the Company. The bonus (if any) will be awarded based on objective or subjective criteria established by the Company’s Chief Executive Officer and approved by the Company’s Board of Directors or an authorized committee thereof. The target amount of your annual incentive bonus shall be equal to **60% of your Annual Base Salary** and you may be able to earn up to two-times such targeted amount; for clarity, any bonus for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed by the Company during that fiscal year. To the extent the Company determines that you earned an annual bonus for a fiscal year, such bonus shall be subject to the usual, required withholdings and deductions. Your annual bonus target will be subject to review and adjustments will be made to it based upon the Company’s normal performance review practices. Any bonus for a fiscal year will be paid within two and one-half months after the end of that fiscal year, but only if you are employed by the Company on the last day of the fiscal year to which the bonus relates.

(b) Equity Grants.

(i) **Stock Options.** Subject to the approval of the Company’s Board of Directors, the Company will grant you a stock option to purchase 80,000 shares of the Company’s Common Stock (the “**Option**”). The exercise price per share of the Option will be the fair market share of the Company’s Common Stock as of the date of grant as determined by the Board. The Option will be subject to the terms and conditions of the Company’s 2012 Stock Plan, as amended (the “**Plan**”) and a notice of stock option and stock option agreement (collectively, the “**Stock Option Agreement**”). As will be more fully described in the Stock Option Agreement, 25% of the shares subject to the Option will vest after you have completed 12 months of continuous Service following your Start Date, and the balance will vest in equal monthly installments over the next 36 months of continuous Service; provided that you will vest in all of your remaining unvested shares subject to the Option if: (a) the Company is subject to a Change in Control before your Service with the Company terminates; and (b) you are subject to an Involuntary Termination within 12 months after that Change in Control. In addition, the Stock Option Agreement will provide that you may “early exercise” the Option as to some or all of the shares subject thereto immediately following the grant, meaning that you may purchase unvested shares, with the Company having a right to repurchase shares that remain unvested when your employment terminates at your cost for the shares being repurchased.

(ii) **Restricted Stock Units.** Subject to the approval of the Company’s Board of Directors or its Compensation Committee, you will be granted an award of 325,000 Restricted Stock Units (the “**RSUs**”). The RSUs will be subject to the terms and conditions of the Company’s 2012 Stock Plan (the “**Plan**”) and a notice of restricted stock unit award and restricted stock unit agreement (collectively, the “**RSU Award Agreement**”). As will be more fully described in the RSU Award Agreement, the RSUs will be subject to vesting based on the satisfaction of two conditions: (i) a time-based service requirement, and (ii) a liquidity event requirement. In addition, in order for the RSUs (or a portion thereof) to vest, both conditions must be satisfied prior to the seventh anniversary of the date of grant. As will be more fully described in the RSU Award Agreement: (A) the time-based requirement will be satisfied with respect to (x) all of the Initial Installment RSUs

if you remain in continuous service with the Company through the Initial Quarterly Installment Date, and (y) one-twelfth (1/12) of the Subsequent Installment RSUs will satisfy the time-based requirement if you remain in continuous service with the Company through each of the next twelve successive Quarterly Installment Dates after the Initial Quarterly Installment Date; and (B) the liquidity event will be satisfied if the consummation of an Initial Public Offering of the Company's common stock or a Change in Control (as defined in your RSU Award Agreement) occurs on or prior to the Initial Quarterly Installment Date. For the avoidance of doubt, none of your RSUs will vest if an IPO or a Change in Control does not occur on or prior to the Initial Quarterly Installment Date. The "Initial Installment RSUs" shall equal the product of one forty-eighth of the total number of RSUs subject to your award multiplied by each full calendar month of service you complete with the Company beginning on your vesting commencement date (as set forth in the RSU Award Agreement) through the Initial Quarterly Installment Date (and, for purposes of this determination, the month in which your vesting commencement date occurs shall be deemed a full calendar month of service if such month is March, June, September or December and your vesting commencement date occurred during the first ten days of that month). Notwithstanding the foregoing, the RSU Award Agreement shall provide that the then-unvested RSUs will vest if: (a) the Company is subject to a Change in Control before your Service with the Company terminates; and (b) you are subject to an Involuntary Termination within 12 months after that Change in Control. The "Initial Quarterly Installment Date" shall mean the first Quarterly Vesting Date that occurs on or after you complete 12 months of continuous service with the Company following your vesting commencement date. "Quarterly Installment Date" shall mean each March 10, June 10, September 10 and December 10, as applicable. "Subsequent Installment RSUs" shall equal the total number of RSUs subject to your award minus the number of Initial Installment RSUs.

(c) **Severance.** You will be eligible to enter into a Severance Agreement with the Company that is applicable to you based on your senior position within the Company, the terms of which Agreement will specify the severance payments and benefits you would be entitled to in connection with certain terminations of employment and certain corporate transactions. These protections will supersede all other severance or other benefits you would otherwise be entitled to under any plan, program or policy that the Company may have in effect from time to time

(d) **Definitions.** The following terms have the meaning set forth below wherever they are used in this letter agreement:

(1) "Cause" means (a) your unauthorized use or disclosure of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company, (b) your commission of an act of material dishonesty in connection with your responsibilities as an employee; (c) your continuing failure to substantially perform your assigned duties or responsibilities as an employee as directed or assigned by the Company's Chief Executive Officer or the Company's Board of Directors (other than a failure resulting from your Permanent Disability) after written notice thereof to you from the Company describing in reasonable detail of the basis of your failure to perform such duties or responsibilities and you having had the opportunity to address the Company's Chief Executive Officer or, if applicable, the Company's Board of Directors regarding such alleged failures and your failure to remedy said non-performance to the Company's satisfaction within 30 days of receiving such written notice; (d) your conviction of, or your plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State; (e) your engagement in gross misconduct and such misconduct is materially and demonstrably injurious to the Company; (f) your failure to comply with the material terms of any written Company policy or rule as they may be in effect from time to time during your employment and such failure is materially and demonstrably injurious to the Company; or (g) your failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation.

(2) "Change in Control" means (a) the consummation of a merger or consolidation of the Company with or into another entity, (b) the sale of all or substantially all of the assets of the Company, or (c) the dissolution, liquidation or winding up of the Company. The foregoing notwithstanding, a merger or

consolidation of the Company does not constitute a "Change in Control" if immediately after the merger or consolidation a majority of the voting power of the capital stock of the continuing or surviving entity, or any direct or indirect parent corporation of the continuing or surviving entity, will be owned by the persons who were the Company's stockholders immediately prior to the merger or consolidation in substantially the same proportions as their ownership of the voting power of the Company's capital stock immediately prior to the merger or consolidation. For the avoidance of doubt, the RSU Award Agreement will provide for a different definition of Change in Control that will apply to the RSUs awarded to you.

(3) "Initial Public Offering" means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which shares of the Company's Common Stock shall be publicly held.

(4) "Involuntary Termination" means either (a) your Termination Without Cause or (b) your Resignation for Good Reason.

(5) "Resignation for Good Reason" means a Separation as a result of your resignation within 12 months after one of the following conditions has come into existence without your consent:

(a) a material reduction in your authority, duties or responsibilities; provided that neither a mere change in title alone nor reassignment following a Change of Control to a position that is substantially similar to the position held prior to the transaction shall constitute a material reduction in job responsibilities;

(b) the Company (or a successor, if appropriate) requires you to relocate to a facility or location more than fifty (50) miles away from the location at which you were working immediately prior to the required relocation; or

(c) a reduction by the Company (or a successor, if appropriate) of more than ten percent (10%) in your then-current Annual Base Salary or the target amount of your then-current annual incentive bonus (other than as part of an across-the-board, proportional base salary reduction and/or target bonus amount reduction applicable to all similarly situated executives).

Notwithstanding anything to the contrary herein, in order to resign for Good Reason, you must provide written notice to the Company's Board of Directors or its Compensation Committee (or, if applicable, a successor's board of directors or its compensation committee) within 90 days after the first occurrence of the event giving rise to Good Reason setting forth the basis for your resignation; (ii) allow the Company (or a successor, if appropriate) at least 30 days from receipt of such written notice to cure such event; and (iii) if such event is not reasonably cured within such period, your resignation from all positions you then hold with the Company (or a successor, if appropriate) shall become effective not later than 30 days after the expiration of the applicable cure period.

(6) "Permanent Disability" means you are unable to engage in any substantially gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months as provided in Sections 22(e)(3) and 409A(a)(2)(c)(i) of the Internal Revenue Code and shall be determined by the Company on the basis of such medical evidence as the Company deems warranted under the circumstances.

(7) "Separation" means a "separation from service," as defined in the regulations under Section 409A of the Code.

(8) "Service" shall have the meaning ascribed in the applicable award agreement or, if not defined therein, it shall have the meaning set forth in the Plan.

(9) “Termination Without Cause” means a Separation as a result of a termination of your employment by the Company without Cause other than for death or Permanent Disability, provided you are willing and able to continue performing services within the meaning of Treasury Regulation 1.409A-1(n)(l).

ACCEPTED AND AGREED:

ANAPLAN, INC.

VIVIE LEE

/s/ VIVIE LEE
(Signature)

Date: September 24, 2018

By: /s/ FRANK CALDERONI

Name: Frank Calderoni
Title: Chief Executive Officer

Exhibit B

EMPLOYEE INVENTIONS AND PROPRIETARY INFORMATION AGREEMENT

The following agreement (the “Agreement”) between Anaplan, Inc., a Delaware corporation (the “Company”), and the individual identified on the signature page to this Agreement (“Employee” or “I”) is effective as of the first day of Employee’s employment by the Company and confirms and memorializes the agreement that (regardless of the execution date hereof) the Company and I have had since the commencement of my employment (which term, for purposes of this Agreement, shall be deemed to include any relationship of service to the Company that I may have had prior to actually becoming an employee). I acknowledge that this Agreement is a material part of the consideration for my employment or continued employment by the Company. In exchange for the foregoing and for other good and valuable consideration, including my access to and use of the Company’s Inventions (defined below) and Proprietary Information (defined below) for performance of my employment, training and/or receipt of certain other valuable consideration, the parties agree as follows:

1. **No Conflicts.** I have not made, and agree not to make, any agreement, oral or written, that is in conflict with this Agreement or my employment with the Company. I will not violate any agreement with, or the rights of, any third party. When acting within the scope of my employment (or otherwise on behalf of the Company), I will not use or disclose my own or any third party’s confidential information or intellectual property (collectively, “Restricted Materials”), except as expressly authorized by the Company in writing. Further, I have not retained anything containing or reflecting any confidential information or intellectual property of a prior employer or other third party, whether or not created by me.

2. Inventions.

a. **Definitions.** “Company Interest” means any of the Company’s current and anticipated business, research and development, as well as any product, service, other Invention or Intellectual Property Rights (defined below) that is sold, leased, used, licensed, provided, proposed, under consideration or under development by the Company. “Intellectual Property Rights” means any and all patent rights, copyright rights, trademark rights, mask work rights, trade secret rights, *sui generis* database rights and all other intellectual and industrial property rights of any sort throughout the world (including any application therefor and any rights to apply therefor, as well as all rights to pursue remedies for infringement or violation thereof). “Invention” means any idea, concept, discovery, learning, invention, development, research, technology, work of authorship, trade secret, software, firmware, content, audio-visual material, tool, process, technique, know-how, data, plan, device, apparatus, specification, design, prototype, circuit, layout, mask work, algorithm, program, code, documentation or other material or information, tangible or intangible, and all versions, modifications, enhancements and derivative works thereof, whether or not it may be patented, copyrighted, trademarked or otherwise protected.

b. **Assignment.** The Company shall own, and I hereby assign and agree to assign, all right, title and interest in and to all Inventions (including all Intellectual Property Rights therein, related thereto or embodied therein) that are collected, made, conceived, developed, reduced to practice or set out in any tangible medium of expression or otherwise created, in whole or in part (collectively “Created”), by me during the term of my employment with the Company that either (i) arise out of any use of the Company’s facilities, equipment, Proprietary Information or other assets (collectively “Company Assets”) or any research or other

activity conducted by, for or under the direction of the Company (whether or not conducted (A) at the Company’s facilities; (B) during working hours or (C) using Company Assets), or (ii) are useful with or in or relate directly or indirectly to any Company Interest. I will promptly disclose and provide all of the foregoing Inventions (the “Assigned Inventions”) to the Company. However, the foregoing does not purport to assign to the Company (and Assigned Inventions shall not include) any Invention that: (1) by law (including, without limitation, the applicable statutory provision for my state of employment set forth in Appendix A, if any) I cannot be required to so assign; or (2) otherwise meets all of the following requirements: (I) the Invention is Created entirely on my own time; (II) the Invention is Created entirely without use of any Company Assets and (III) the Invention is not useful with or related to any Company Interest. Nevertheless, if I believe any Invention Created by me during the term of my employment is not within the definition of Assigned Inventions, I will nevertheless disclose it to the Company so that the Company may make its assessment.

c. **Assurances.** I hereby make and agree to make all assignments to the Company necessary to effectuate and accomplish the Company’s ownership in and to all Assigned Inventions. I will further assist the Company, at its expense, to evidence, record and perfect such assignments, and to perfect, obtain, maintain, enforce and defend any rights specified to be so owned or assigned. I hereby irrevocably designate and appoint the Company and its officers as my agents and attorneys-in-fact, coupled with an interest, to act for and on my behalf to execute and file any document and to perform all other lawfully permitted acts to further the purposes of the foregoing with the same legal force and effect as if executed by me.

d. **Other Inventions.** If (i) I use or disclose any Restricted Materials when acting within the scope of my employment (or otherwise to or on behalf of the Company) or (ii) any Assigned Invention cannot be fully made, used, reproduced, sold, distributed, modified, commercialized or otherwise exploited (collectively, “Exploited”) without using, misappropriating, infringing or violating any Restricted Materials, I hereby grant and agree to grant to the Company a perpetual, irrevocable, worldwide, fully paid-up, royalty-free, non-exclusive, assignable, transferable, sublicensable right and license to use, disclose, fully Exploit and exercise all rights in such Restricted Materials and all Intellectual Property Rights embodied therein or related thereto. I will not use or disclose any Restricted Materials for which I am not fully authorized to grant the foregoing license.

e. **Moral Rights.** To the extent allowed by applicable law, the terms of this Section 2 include all rights of paternity, integrity, disclosure, withdrawal and any other rights that may be known or referred to as moral rights, artist's rights, droit moral or the like (collectively, "Moral Rights"). To the extent I retain any such Moral Rights under applicable law, I hereby ratify and consent to any action that may be taken with respect to such Moral Rights by or authorized by the Company, and agree not to assert any Moral Rights with respect thereto. I will confirm any such ratification, consent or agreement from time to time as requested by the Company. Furthermore, I agree that notwithstanding any rights of publicity, privacy or otherwise (whether or not statutory) anywhere in the world and without any further compensation, the Company may and is hereby authorized to use my name, likeness and voice in connection with promotion of its business, products and services, and to allow others to do the same.

3. **Proprietary Information.**

a. **Definition; Restrictions on Use.** I agree that all Assigned Inventions (and all other financial, business, legal and technical information regarding or relevant to any Company Interest that is not generally publicly known), including the identity of and any other information relating to the Company's employees, Affiliates and Business Partners (as such terms are defined below), that I develop, learn or obtain during my employment or that are received by or for the Company in confidence, constitute "Proprietary Information." I will hold in strict confidence and not directly or indirectly disclose or use any Proprietary Information, except as required within the scope of my employment. My obligation of nondisclosure and nonuse of Proprietary Information under this Section shall continue until I can document that it is or becomes readily generally available to the public without restriction through no fault of mine (including breach of this Agreement) or, if a court requires a shorter duration, then the maximum time allowable by law will control. Furthermore, I understand that this Agreement does not affect my immunity under 18 USC Sections 1833(b) (1) or (2), which read as follows:

- (1) An individual shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.
- (2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

b. **Upon Termination.** Upon termination of my employment (for any or no reason, whether voluntary or involuntary), I will promptly identify and, as directed by the Company, destroy, delete or return to the Company all items containing or embodying Proprietary Information (including all

original or copies of content, whether in electronic or hard-copy form), except that I may keep my personal copies of (i) my compensation records; (ii) materials distributed to shareholders generally and (iii) this Agreement.

c. **Company Systems.** I also recognize and agree that I have no expectation of privacy with respect to the Company's networks, telecommunications systems or information processing systems (including, without limitation, stored computer files, email messages and voicemail messages or other devices (including personal devices) in which Company Proprietary Information resides, is stored or is passed through ("Company Systems"), and in order to ensure compliance with work rules and safety concerns, the Company or its agents may monitor, at any time and without further notice to me, any Company Systems and any of my activity, files or messages on or using any Company Systems, regardless of whether such activity occurs on equipment owned by me or the Company. I further agree that any property situated on the Company's premises and owned, leased or otherwise possessed by the Company, including computers, computer files, email, voicemail, storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. I understand and acknowledge that (A) any such searches or monitoring efforts are not formal accusations of wrongdoing but rather part of the procedure of an investigation and (B) refusal to consent to such a search may be grounds for discipline.

4. **Restricted Activities.** For the purposes of this Section 4, the term "the Company" includes the Company and all other persons or entities that control, are controlled by or are under common control with the Company ("Affiliates") and for whom Employee performed responsibilities or about whom Employee has Proprietary Information.

a. **Definitions.** "Competitive Activities" means any direct or indirect non-Company activity (i) that is the same or substantially similar to Employee's responsibilities for the Company that relates to, is substantially similar to, or competes with the Company (or its demonstrably planned interests) at the time of Employee's termination from the Company; or (ii) involving the use or disclosure, or the likelihood of the use or disclosure, of Proprietary Information. Competitive Activities do not include being a holder of less than one percent (1%) of the outstanding equity of a public company. "Business Partner" means any past (*i.e.*, within the twelve (12) months preceding Employee's termination from the Company), present or prospective (*i.e.*, actively pursued by the Company within the twelve (12) months preceding Employee's termination from the Company) customer, vendor, supplier, distributor or other business partner of the Company with whom Employee comes into contact during Employee's employment with the Company or about whom Employee had knowledge by reason of Employee's relationship with the Company or because of Employee's access to Proprietary Information. "Cause" means to recruit, employ, retain or otherwise solicit, induce or influence, or to attempt to do so (provided that if I am a resident of California, "Cause" means to recruit, or otherwise solicit, induce or influence, or to attempt to do so). "Solicit", with respect to Business Partners, means to (A) service, take orders from or solicit the business or patronage of any Business Partner for Employee or any other person or entity, (B) divert, entice or otherwise take away from the Company the

business or patronage of any Business Partner, or to attempt to do so, or (C) solicit, induce or encourage any Business Partner to terminate or reduce its relationship with the Company.

b. **Acknowledgments.**

i. I acknowledge and agree that (A) the Company's business is highly competitive; (B) secrecy of the Proprietary Information is of the utmost importance to the Company, and I will learn and use Proprietary Information in the course of performing my work for the Company and (C) my position may require me to establish goodwill with Business Partners and employees on behalf of the Company and such goodwill is extremely important to the Company's success, and the Company has made substantial investments to develop its business interests and goodwill.

ii. I agree that the limitations as to time, geographical area and scope of activity to be restrained in this Section 4 are coextensive with the Company's footprint and my performance of responsibilities for the Company and are therefore reasonable and not greater than necessary to protect the goodwill or other business interests of the Company. I further agree that such investments are worthy of protection and that the Company's need for protection afforded by this Section 4 is greater than any hardship I may experience by complying with its terms.

iii. I acknowledge that my violation or attempted violation of the agreements in this Section 4 will cause irreparable damage to the Company or its Affiliates, and I therefore agree that the Company shall be entitled as a matter of right to an injunction out of any court of competent jurisdiction, restraining any violation or further violation of such agreements by me or others acting on my behalf. The Company's right to injunctive relief shall be cumulative and in addition to any other remedies provided by law or equity.

iv. Although the parties believe that the limitations as to time, geographical area and scope of activity contained herein are reasonable and do not impose a greater restraint than necessary to protect the goodwill or other business interests of the Company, if it is judicially determined otherwise, the limitations shall be reformed to the extent necessary to make them reasonable and not to impose a restraint that is greater than necessary to protect the goodwill or other business interests of the Company.

v. In any such case, the Company and I agree that the remaining provisions of this Section 4 shall be valid and binding as though any invalid or unenforceable provision had not been included.

c. **As an Employee.** During my employment with the Company, I will not directly or indirectly: (i) Cause any person to cease or reduce their services (as an employee or otherwise) to the Company (other than terminating subordinate employees in the course of my duties for the Company); (ii) Solicit any Business Partner; (iii) act in any capacity in or with respect to any commercial activity which competes, or is reasonably likely to compete, with any business that the Company conducts, proposes to conduct or demonstrably anticipates conducting, at any time during my employment with the Company or (iv) enter into an

employment, consulting or other similar relationship with another person or entity without the prior written consent of the Company.

d. **After Termination.** For the period of twelve (12) months immediately following my termination of employment with the Company (for any or no reason, whether voluntary or involuntary), I will not directly or indirectly: (i) Cause any person to cease or reduce their services (as an employee or otherwise) to the Company; or (ii) unless I am a resident of California (A) Solicit any Business Partner or (B) engage in any Competitive Activities (I) anywhere the Company offers its services or has customers during my employment with the Company or where my use or disclosure of Proprietary Information could materially disadvantage the Company regardless of my physical location; or (II) anywhere the Company offers its services or has customers and where I have responsibility for the Company or (III) anywhere within a fifty (50) mile radius of any physical location I work for the Company. The foregoing timeframes shall be increased by the period of time beginning from the commencement of any violation of the foregoing provisions until such time as I have cured such violation.

5. **Employment at Will.** I agree that this Agreement is not an employment contract for any particular term. I have the right to resign and the Company has the right to terminate my employment at will, at any time, for any or no reason, with or without cause. This Agreement does not purport to set forth all of the terms and conditions of my employment, and as an employee of the Company, I have obligations to the Company which are not described in this Agreement. However, the terms of this Agreement govern over any such terms that are inconsistent with this Agreement, and supersede the terms of any similar form that I may have previously signed. This Agreement can only be changed by a subsequent written agreement signed by the Chief Executive Officer or President of the Company, or an officer designee authorized in writing by the foregoing or the Company's Board of Directors.

6. **Survival.** I agree that any change or changes in my employment title, duties, compensation, or equity interest after the signing of this Agreement shall not affect the validity or scope of this Agreement. I agree that the terms of this Agreement, and any obligations I have hereunder, shall continue in effect after termination of my employment, regardless of the reason, and whether such termination is voluntary or involuntary, and that the Company is entitled to communicate my obligations under this Agreement to any of my potential or future employers. I will provide a copy of this Agreement to any potential or future employers of mine, so that they are aware of my obligations hereunder. This Agreement, and any obligations I have hereunder, also shall be binding upon my heirs, executors, assigns and administrators, and shall inure to the benefit of the Company, its Affiliates, successors and assigns. This Agreement and any rights and obligations of the Company hereunder may be freely assigned and transferred by the Company, in whole or part, to any third party.

7. **Miscellaneous.** Any dispute in the meaning, effect or validity of this Agreement shall be resolved in accordance with the laws of the State of California without regard to the conflict of laws provisions thereof. Any legal action or proceeding relating to this Agreement shall be brought exclusively in the state or federal

courts located in or with jurisdiction over San Francisco County, California, and each party consents to the jurisdiction thereof; however, the Company may seek injunctive relief and specific performance in any court of competent jurisdiction. The failure of either party to enforce its rights under this Agreement at any time for any period shall not be construed as a waiver of such rights. Unless expressly provided otherwise, each right and remedy in this Agreement is in addition to any other right or remedy, at law or in equity, and the exercise of one right or remedy will not be deemed a waiver of any other right or remedy. If one or more provisions of this Agreement is held to be illegal or unenforceable under applicable law, such illegal or unenforceable portion shall be

limited or excluded from this Agreement to the minimum extent required so that this Agreement shall otherwise remain in full force and effect and enforceable. I acknowledge and agree that any breach or threatened breach of this Agreement will cause irreparable harm to the Company for which damages would not be an adequate remedy, and, therefore, the Company is entitled to injunctive relief with respect thereto (without the necessity of posting any bond) in addition to any other remedies. This Employee Inventions and Proprietary Information Agreement may be executed electronically and/or in counterpart originals, each of which shall be deemed an original instrument for all purposes, but all of which shall comprise one and the same instrument.

[Signature Page Follows]

I HAVE READ THIS AGREEMENT CAREFULLY AND I UNDERSTAND AND ACCEPT THE OBLIGATIONS THAT IT IMPOSES UPON ME WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO ME TO INDUCE ME TO SIGN THIS AGREEMENT. I SIGN THIS AGREEMENT VOLUNTARILY AND FREELY, WITH THE UNDERSTANDING THAT I EITHER (1) HAVE RETAINED A COPY OF THIS AGREEMENT OR (2) MAY REQUEST A COPY OF THIS AGREEMENT FROM THE COMPANY AT ANY TIME.

COMPANY

By: /s/ FRANK CALDERONI

Name: Frank Calderoni

Title: Chief Executive Office

Dated: September 24, 2018

EMPLOYEE

By: /s/ VIVIE LEE

Name: Vivie Lee

Address:

Dated: September 24, 2018

Appendix A

If I am employed by the Company in the State of California, the following provision applies:

California Labor Code Section 2870. Application of provision providing that employee shall assign or offer to assign rights in invention to employer.

- (a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:
- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or
 - (2) Result from any work performed by the employee for his employer.
- (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable.

If I am employed by the Company in the State of Delaware, the following provision applies:

Delaware Code, Title 19, § 805

Employee's right to certain inventions.

Any provision in an employment agreement which provides that the employee shall assign or offer to assign any of the employee's rights in an invention to the employee's employer shall not apply to an invention that the employee developed entirely on the employee's own time without using the employer's equipment, supplies, facility or trade secret information, except for those inventions that: (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. An employer may not require a provision of an employment agreement made unenforceable under this section as a condition of employment or continued employment.

If I am employed by the Company in the State of Illinois, the following provision applies:

Illinois Compiled Statutes Chapter 765, Section 1060/2.

Sec. 2. Employee rights to inventions - conditions. (1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this State and is to that extent void and unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this subsection.

(2) An employer shall not require a provision made void and unenforceable by subsection (1) of this Section as a condition of employment or continuing employment. This Act shall not preempt existing common law applicable to any shop rights of employers with respect to employees who have not signed an employment agreement.

(3) If an employment agreement entered into after January 1, 1984, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work

performed by the employee for the employer.

If I am employed by the Company in the State of Kansas, the following provision applies:

Chapter 44.--LABOR AND INDUSTRIES
Article 1.--PROTECTION OF EMPLOYEES

44-130. Employment agreements assigning employee rights in inventions to employer; restrictions; certain provisions void; notice and disclosure. (a) Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

- (1) The invention relates to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or
- (2) the invention results from any work performed by the employee for the employer.

(b) Any provision in an employment agreement which purports to apply to an invention which it is prohibited from applying to under subsection (a), is to that extent against the public policy of this state and is to that extent void and unenforceable. No employer shall require a provision made void and unenforceable by this section as a condition of employment or continuing employment.

(c) If an employment agreement contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer shall provide, at the time the agreement is made, a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless:

- (1) The invention relates directly to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or
- (2) the invention results from any work performed by the employee for the employer.

(d) Even though the employee meets the burden of proving the conditions specified in this section, the employee shall disclose, at the time of employment or thereafter, all inventions being developed by the employee, for the purpose of determining employer and employee rights in an invention.

If I am employed by the Company in the State of Minnesota, the following provision applies:

Minnesota Statute Section 181.78. Subdivision 1.

Inventions not related to employment. Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable.

If I am employed by the Company in the State of North Carolina, the following provision applies:

North Carolina General Statutes Section 66-57.1.
EMPLOYEE'S RIGHT TO CERTAIN INVENTIONS

Any provision in an employment agreement which provides that the employees shall assign or offer to assign any of his rights in an invention to his employer shall not apply to an invention that the employee developed entirely on his own time without using the employer's equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this section.

If I am employed by the Company in the State of Utah, the following provision applies:

34-39-2. Definitions.

As used in this chapter:

(1) "Employment invention" means any invention or part thereof conceived, developed, reduced to practice, or created by an employee which is:

(a) conceived, developed, reduced to practice, or created by the employee:

(i) within the scope of his employment;

(ii) on his employer's time; or

(iii) with the aid, assistance, or use of any of his employer's property, equipment, facilities, supplies, resources, or intellectual property;

(b) the result of any work, services, or duties performed by an employee for his employer;

(c) related to the industry or trade of the employer; or

(d) related to the current or demonstrably anticipated business, research, or development of the employer.

(2) "Intellectual property" means any and all patents, trade secrets, know-how, technology, confidential information, ideas, copyrights, trademarks, and service marks and any and all rights, applications, and registrations relating to them.

34-39-3. Scope of act -- When agreements between an employee and employer are enforceable or unenforceable with respect to employment inventions -- Exceptions.

(1) An employment agreement between an employee and his employer is not enforceable against the employee to the extent that the agreement requires the employee to assign or license, or to offer to assign or license, to the employer any right or intellectual property in or to an invention that is:

(a) created by the employee entirely on his own time; and

(b) not an employment invention.

(2) An agreement between an employee and his employer may require the employee to assign or license, or to offer to assign or license, to his employer any or all of his rights and intellectual property in or to an employment invention.

(3) Subsection (1) does not apply to:

(a) any right, intellectual property or invention that is required by law or by contract between the employer and the United States government or a state or local government to be assigned or licensed to the United States; or

(b) an agreement between an employee and his employer which is not an employment agreement.

(4) Notwithstanding Subsection (1), an agreement is enforceable under Subsection (1) if the employee's employment or continuation of employment is not conditioned on the employee's acceptance of such agreement and the employee receives a consideration under such agreement which is not compensation for employment.

(5) Employment of the employee or the continuation of his employment is sufficient consideration to support the enforceability of an agreement under Subsection (2) whether or not the agreement recites such consideration.

(6) An employer may require his employees to agree to an agreement within the scope of Subsection (2) as a condition of employment or the continuation of employment.

(7) An employer may not require his employees to agree to anything unenforceable under Subsection (1) as a condition of employment or the continuation of employment.

(8) Nothing in this chapter invalidates or renders unenforceable any employment agreement or provisions of an employment agreement unrelated to employment inventions.

If I am employed by the Company in the State of Washington, the following provision applies:

TITLE 49. LABOR REGULATIONS

CHAPTER 49.44. VIOLATIONS -- PROHIBITED PRACTICES

(i) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that

extent against the public policy of this state and is to that extent void and unenforceable.

(ii) An employer shall not require a provision made void and unenforceable by subsection (1) of this section as a condition of employment or continuing employment.

(iii) If an employment agreement entered into after September 1, 1979, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer.

Exhibit C

ALTERNATIVE DISPUTE RESOLUTION AGREEMENT

READ THIS AGREEMENT CAREFULLY BECAUSE YOUR SIGNATURE BELOW CONFIRMS THAT YOU HAVE READ, UNDERSTAND AND AGREE TO ALL OF THE TERMS OF THIS ARBITRATION AGREEMENT.

Anaplan, Inc. (hereinafter referred to as the "Company") hopes and expects that your employment with the Company will be free of disputes and that we will not need to use the process set forth in this Alternative Dispute Resolution Agreement (the "Agreement"). However, in the event a dispute should arise, this Agreement sets forth the understanding between you and the Company to resolve any disputes between us through a final and binding arbitration process.

1. How This Agreement Applies

As a condition of your employment with the Company, you and the Company agree to all of the terms of this Agreement. This Agreement is governed by the Federal Arbitration Act, 9 U.S.C. § 1 et seq. and evidences a transaction involving commerce. This Agreement applies to any dispute arising out of or related to your employment with the Company (or one of its affiliates, subsidiaries or parents) or termination of your employment with the Company, regardless of the date that the dispute arose and this Agreement survives after the employment relationship between you and the Company terminates.

Except as it otherwise provides below, this Agreement is intended to apply to the resolution of disputes that otherwise would be resolved in a court of law or before a forum other than arbitration. Therefore, this Agreement requires all such disputes to be resolved only by a single arbitrator through final and binding arbitration and not by way of court or jury trial. Such disputes include without limitation disputes arising out of or relating to interpretation or application of this Agreement, including the enforceability, revocability or validity of this Agreement or any portion of this Agreement.

Except as this Agreement otherwise provides, this Agreement also applies, without limitation, to disputes arising out of or related to the employment relationship or termination of that relationship, trade secrets, unfair competition, compensation, classification, minimum wage, seating, expense reimbursement, overtime, breaks and rest periods, termination, or harassment and claims arising under the Uniform Trade Secrets Act, Civil Rights Act of 1964, Americans With Disabilities Act, Age Discrimination in Employment Act, Family Medical Leave Act, Fair Labor Standards Act, California Fair Employment and Housing Act, California Family Rights Act, Employee Retirement Income Security Act (except for claims for employee benefits under any benefit plan sponsored by the Company and (a) covered by the Employee Retirement Income Security Act of 1974 or (b) funded by insurance), Affordable Care Act, Genetic Information Non-Discrimination Act, state statutes or regulations addressing the same or similar subject matters, and all other federal or state legal claims arising out of or relating to your employment or termination of employment.

2. Limitations On How This Agreement Applies

This Agreement does not apply to claims for workers' compensation, state disability insurance and state unemployment insurance benefits, except that claims for retaliation under these laws shall be subject to this Agreement.

This Agreement does not apply to any action for emergency or temporary injunctive relief in a court of law in accordance with applicable law, so long as that action is brought on an individual basis and not on a consolidated basis or on behalf of or as part of a collective or class action (a class action involves an arbitration or lawsuit where representative members of a group of individuals who share a common interest seek relief on behalf of the group) pursuant to Section 5 below (however, after the court issues a ruling concerning the emergency or temporary injunctive relief, you and the Company must submit any claim to arbitration pursuant to this Agreement).

This Agreement does not apply to any claims that would qualify to be heard and determined in small claims court any such claims may be heard in small claims court in lieu of arbitration under this Agreement at the request of you or the Company.

Regardless of any other terms of this Agreement, claims may be brought before, and remedies awarded by, an administrative agency if applicable law permits access to such an agency notwithstanding the existence of an agreement to arbitrate. Such administrative claims include without limitation claims or charges brought before the Equal Employment Opportunity Commission (www.eeoc.gov), the U.S. Department of Labor (www.dol.gov), the National Labor Relations Board (www.nlr.gov), or the Office of Federal Contract Compliance Programs (www.dol.gov/esa/ofccp). Nothing in this

Agreement shall be deemed to preclude or excuse a party from bringing an administrative claim before any agency in order to fulfill the party's obligation to exhaust administrative remedies before making a claim in arbitration.

3. The Arbitration Process

The arbitration shall be before a sole arbitrator (the "Arbitrator"), in accordance with the laws of the state in which you were employed with the Company at the time of the dispute. Any such arbitration shall be administered by JAMS and shall proceed according to the JAMS Employment Arbitration Rules (the "Rules") in effect as of the date on which arbitration is initiated. The JAMS Employment Arbitration Rules may be found at <http://www.jamsadr.com/rules-employment-arbitration/>. Where an inconsistency exists between the provisions of this Agreement and the Rules, the arbitrator will apply the provisions of this Agreement, which reflect the intent of the parties. The arbitration proceedings shall allow for discovery according to the Rules. The arbitrator in such a proceeding shall have the power to decide any motions brought by any party to the arbitration, including without limitation, motions for summary judgment and/or adjudication, and motions to dismiss and demurrers, prior to any arbitration hearing. The arbitrator shall issue a written decision on the merits. The arbitrator shall have the power to award any remedies, including without limitation, attorneys' fees and costs, available under applicable law. The Company shall pay for any administrative or hearing fees charged by JAMS except that, to the extent permitted by the JAMS Rules, you shall pay any filing fees associated with any arbitration that you initiate, but not in any event to exceed the filing fees that you would have paid if you had filed a complaint in a court of law having jurisdiction. Judgment on the award may be entered in any court having jurisdiction.

The location of the arbitration proceeding shall be no more than 45 miles from the place where you last worked for the Company, unless each party to the arbitration agrees in writing otherwise.

4. Starting The Arbitration

All claims in arbitration are subject to the same statutes of limitation that would apply in court.

5. Individual Claims Only

All disputes, claims or controversies subject to arbitration as set forth in this Agreement must be submitted to arbitration on an individual basis only and not as a representative, class and/or collective action proceeding on behalf of other individuals. Claims may not be joined or consolidated in arbitration with other disputes brought by or against another employee of the Company, unless agreed to by the parties. You and the Company agree to bring any dispute in arbitration on an individual basis only, and not on a class or collective basis. Accordingly,

There will be no right or authority for any dispute to be brought, heard or arbitrated as a class action ("Class Action Waiver"). The Class Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a class action and (2) a civil court of competent jurisdiction finds the Class Action Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances, the class action must be litigated in a civil court of competent jurisdiction.

There will be no right or authority for any dispute to be brought, heard or arbitrated as a collective action ("Collective Action Waiver"). The Collective Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a collective action and (2) a civil court of competent jurisdiction finds the Collective Action Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances, the collective action must be litigated in a civil court of competent jurisdiction.

There will be no right or authority for any dispute to be brought, heard or arbitrated as a representative action ("Representative Action Waiver"). The Representative Action Waiver shall not be severable from this Agreement in any case in which (1) the dispute is filed as a representative action and (2) a civil court of competent jurisdiction finds the Representative Action Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances, the representative action must be litigated in a civil court of competent jurisdiction.

To the fullest extent permitted by applicable law, there will be no right or authority for any dispute to be brought, heard or arbitrated as a private attorney general representative action ("Private Attorney General Waiver"). The Private Attorney General Waiver shall be severable from this Agreement in any case in which a civil court of competent jurisdiction finds the Private Attorney General Waiver is invalid, unenforceable, unconscionable, void or voidable (and such finding is confirmed by appellate review if review is sought). In such instances and where the claims is brought as a private attorney general, such private attorney general claim must be litigated in a civil court of competent jurisdiction.

Although you will not be retaliated against, disciplined or threatened with discipline as a result of you exercising your rights under Section 7 of the National Labor Relations Act by the filing of or participation in a class, collective, or representative action in any forum, the Company may lawfully seek enforcement of this Agreement and the Class Action Waiver, Collective Action Waiver, Representative Action Waiver, and Private Attorney General Waiver under the Federal Arbitration Act and seek dismissal of such class, collective, or representative actions or claims. Notwithstanding any other clause contained in this Agreement, any claim that all or part of the Class Action Waiver, Collective Action Waiver, Representative Action Waiver or Private Attorney General Waiver is invalid, unenforceable, unconscionable, void or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator.

The Class Action Waiver, Collective Action Waiver, Representative Action Waiver and Private Attorney General Waiver shall be severable in any case in which the dispute is filed as an individual action and severance is necessary to ensure that the individual action proceeds in arbitration.

6. The Arbitration Hearing and Award

The parties will arbitrate their dispute before the Arbitrator, who shall confer with the parties regarding the conduct of the hearing and resolve any disputes the parties may have in that regard. The Arbitrator may award any party any remedy to which that party is entitled under applicable law, but such remedies shall be limited to those that would be available to a party in his or her individual capacity in a court of law for the claims presented to and decided by the Arbitrator, and no remedies that otherwise would be available to an individual in a court of law will be forfeited by virtue of this Agreement. The Arbitrator shall apply applicable controlling law and will issue a decision or award in writing, stating the essential findings of fact and conclusions of law. Except as may be permitted or required by law, as determined by the Arbitrator, neither a party nor an Arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties. A court of competent jurisdiction shall have the authority to enter a judgment upon the award made pursuant to the arbitration.

7. Severability

If any one or more of the provisions of this Agreement is determined to be invalid, illegal or otherwise unenforceable, in whole or in part, then such provision, to the extent only that it is invalid, illegal, or otherwise unenforceable, shall be deemed modified to the extent necessary so that it is no longer invalid, illegal or otherwise unenforceable, and such provision will be enforced to the fullest extent permitted by law. If such modification is not possible, such provision, to the extent that it is invalid, illegal or otherwise unenforceable, shall be deemed severable from the remaining provisions of this Agreement, which shall remain in full force and effect and shall be liberally construed in order to carry out the intent of the parties as nearly as may be possible. The Class Action Waiver, Collective Action Waiver, Representative Action Waiver, and Private Attorney General Action Waiver shall be severable only as set forth in Section 5 above.

This Agreement does not create a contract of employment for any specific term or otherwise modify in any way the at-will employment relationship between you and the Company.

8. Enforcement of this Agreement

This Agreement is the full and complete agreement between you and the Company regarding the terms of this Agreement and this Agreement supersedes and replaces any prior agreements, representations or understandings, written, oral or otherwise, regarding its subject matter. This Agreement may only be modified in an express written agreement signed by you and an officer of the Company. Except as stated in Paragraph 5, above, in the event any portion of this Agreement is deemed unenforceable, the remainder of this Agreement will be enforceable.

I have read this Alternative Dispute Resolution Agreement and I understand its terms. I understand that under this Agreement, any covered claims that I may have with the Company will be resolved only through final and binding arbitration as described in this Agreement, and all such disputes shall be brought individually and not on a class or collective basis. Understanding all of the terms of this Agreement, I hereby agree to be bound by the terms of this Agreement.

/s/ VIVIE LEE
Employee's Signature

September 24, 2018
Date Signed

Vivie Lee
Employee's Name (please print)

Exhibit D

CHANGE IN CONTROL AND SEVERANCE AGREEMENT – SR. EXECUTIVE

This Change In Control and Severance Agreement (the “**Agreement**”) is made by and between Anaplan, Inc. (the “**Company**”) and Vivie Lee (the “**Executive**”), effective on the date of the Company’s signature below (the “**Effective Date**”).

The Agreement provides certain change in control and severance protections to the Executive in connection with the involuntary termination of the Executive’s employment under the circumstances described in the Agreement.

The Company and the Executive agree as follows:

1. **Term of Agreement.** The Agreement will terminate on the earlier of: (i) the date on which all of the obligations under the Agreement have been satisfied; or (ii) the date on which the Executive experiences a Non-Qualified Termination.
2. **At-Will Employment.** The Company and the Executive acknowledge that the Executive’s employment is and will continue to be at-will, as defined under applicable law, except if otherwise specifically provided under the confirmatory employment letter between the Company and the Executive dated on or around September 24, 2018 (the “**Confirmatory Employment Letter**”) or any subsequently adopted written formal employment agreement between the Company and the Executive.
3. **Severance Benefits.**
 - (a) **Non-CIC Qualified Termination.** If the Executive is subject to a Non-CIC Qualified Termination, the Executive will be eligible to receive the payments and benefits set forth in Section 3(a)(i) and 3(a)(ii) below. In addition, if the Executive is subject to a Non-CIC Qualified Termination and such termination is on account of the Executive’s death or Disability, then the Executive shall also be entitled to receive the benefits set forth in Section 3(a)(iii) below.
 - (i) **Salary Severance.** The Company will provide the Executive with severance payments over the 6 month period following the Non-CIC Qualified Termination in an aggregate amount equal to 50% of the Executive’s Base Salary; provided that if the Non-CIC Qualified Termination is on account of the Executive’s death or Disability, the Executive still instead receive a one-time lump-sum payment equal to 50% of the Executive’s Base Salary.
 - (ii) **COBRA Payment.** A lump-sum payment equal to 6 multiplied by the monthly COBRA premium that the Executive would be required to pay to continue group health coverage for the Executive and the Executive’s eligible covered dependents in effect on the date of termination of employment, based on the premium for the first month of COBRA coverage. Such cash payment will be taxable and will be made regardless of whether the Executive elects COBRA continuation coverage.
 - (iii) **Equity Vesting.** In the event the Non-CIC Qualified Termination is on account of the Executive’s death or Disability, then all of the then-unvested shares subject

to each of the Executive's then-outstanding equity awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the then-outstanding portion of an equity award may vest and become exercisable under this provision). In the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at the greater of actual performance or 100% of target levels. Unless otherwise required under the next following two sentences or, with respect to awards subject to Section 409A of the Code, under Section 5(b) below, any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61st day following the Non-CIC Qualified Termination.

(b) CIC Qualified Termination. If the Executive is subject to a CIC Qualified Termination, the Executive will be eligible to receive the following payments and benefits from the Company:

(i) Salary Severance. A lump-sum payment equal to 100% of the Executive's Base Salary.

(ii) Bonus Severance. A lump-sum payment equal to 100% of the Executive's target annual bonus as in effect for the fiscal year in which the CIC Qualified Termination occurs.

(iii) COBRA Payment. A lump-sum payment equal to 12 multiplied by the monthly COBRA premium that the Executive would be required to pay to continue group health coverage for the Executive and the Executive's eligible covered dependents in effect on the date of termination of employment, based on the premium for the first month of COBRA coverage. Such cash payment will be taxable and will be made regardless of whether the Executive elects COBRA continuation coverage.

(iv) Equity Vesting. All of the then-unvested shares subject to each of the Executive's then-outstanding equity awards will immediately vest and, in the case of options and stock appreciation rights, will become exercisable (for avoidance of doubt, no more than 100% of the shares subject to the then-outstanding portion of an equity award may vest and become exercisable under this provision). In the case of equity awards with performance-based vesting, all performance goals and other vesting criteria will be deemed achieved at the greater of actual performance or 100% of target levels. Unless otherwise required under the next following two sentences or, with respect to awards subject to Section 409A of the Code, under Section 5(b) below, any restricted stock units, performance shares, performance units, and/or similar full value awards that vest under this paragraph will be settled on the 61st day following the CIC Qualified Termination. For the avoidance of doubt, if the Executive's Qualified Termination occurs prior to a Change in Control, then any unvested portion of the Executive's then-outstanding equity awards will remain outstanding for 3 months or the occurrence of a Change in Control (whichever is earlier) so that any additional benefits due on a CIC Qualified Termination can be provided if a Change in Control occurs within 3 months following the Qualified Termination (provided that in no event will the Executive's stock options or similar equity awards remain outstanding beyond the equity award's maximum term to expiration). In such case, if no Change in Control occurs within 3 months following a Qualified Termination, any unvested portion of the Executive's equity

awards automatically will be forfeited permanently on the 3-month anniversary of the Qualified Termination without having vested.

(c) Termination other than a Qualified Termination. If the termination of Executive's employment with the Company is a Non-Qualified Termination, then the Executive will not be entitled to receive severance or other benefits under the Agreement, other than the accrued rights described in Section 4 below.

(d) Non-Duplication of Payment or Benefits. If: (i) the Executive's Qualified Termination occurs prior to a Change in Control that qualifies Executive for severance payments and benefits under Section 3(a); and (ii) a Change in Control occurs within the 3-month period following Executive's Qualified Termination that qualifies Executive for severance payments and benefits under Section 3(b), then (A) the Executive will cease receiving any further payments or benefits under Section 3(a) and (B) the Executive will receive the payments and benefits under Section 3(b) instead but each of the payments and benefits otherwise payable under Section 3(b) will be offset by the corresponding payments or benefits the Executive already received under Section 3(a).

(e) Death of the Executive. If the Executive dies before all payments or benefits the Executive is entitled to receive under the Agreement have been paid, such unpaid amounts will be paid to the Executive's designated beneficiary, if living, or otherwise to the Executive's personal representative in a lump-sum payment as soon as possible following the Executive's death.

(f) Exclusive Remedy. In the event of a termination of the Executive's employment with the Company, the provisions of the Agreement are intended to be and are exclusive and in lieu of any other rights or remedies to which the Executive may otherwise be entitled, whether at law, tort or contract, in equity. The Executive will be entitled to no benefits, compensation or other payments or rights upon termination of employment other than those benefits expressly set forth in the Agreement. Notwithstanding the foregoing, the Agreement shall not limit any rights the Executive has with respect to accelerated vesting of any equity award under the applicable grant agreement or the applicable stock plan.

4. Accrued Compensation. On any termination of the Executive's employment with the Company, the Executive will be entitled to receive all expense reimbursements, accrued wages, and other benefits due to the Executive under any applicable Company-provided plan, policy or arrangement, including any earned but unpaid bonus amount for the Company's immediately preceding fiscal year. The Executive's rights under this Section 4 shall survive the termination of this Agreement until all such rights have been satisfied.

5. Conditions to Receipt of Severance.

(a) Separation Agreement and Release of Claims. The Executive's receipt of any severance payments or benefits upon the Executive's Qualified Termination under Section 3 is subject to the Executive signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage any member of the Company, non-solicit provisions, and other standard terms and conditions) (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and

irrevocable no later than the date specified by the Company in the Release (the “**Release Deadline**”); provided that the Release Deadline will be no later than 60 days following the Executive’s Qualified Termination. If the Release does not become effective and irrevocable by the Release Deadline, the Executive will forfeit any right to severance payments or benefits under Section 3. In no event will severance payments or benefits under Section 3 be paid or provided until the Release actually becomes effective and irrevocable. None of the severance payments and benefits payable upon such Executive’s Qualified Termination under Section 3 will be paid or otherwise provided prior to the 60th day following the Executive’s Qualified Termination. Except to the extent that payments are delayed under Section 5(b), on the first regular payroll pay day following the 60th day following the Executive’s Qualified Termination, the Company will pay or provide the Executive the severance payments and benefits that the Executive would otherwise have received under Section 3 on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

(b) Section 409A. The Company intends that all payments and benefits provided under the Agreement or otherwise are exempt from, or comply with, the requirements of Section 409A of the Code and any guidance promulgated under Section 409A of the Code (collectively, “**Section 409A**”) so that none of the payments or benefits will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted in accordance with this intent. No payment or benefits to be paid to the Executive, if any, under the Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Section 409A (together, the “**Deferred Payments**”), will be paid or otherwise provided until the Executive has a “**separation from service**” within the meaning of Section 409A. If, at the time of the Executive’s termination of employment, the Executive is a “**specified employee**” within the meaning of Section 409A, then the payment of any Deferred Payments that are subject to Section 409A will be delayed to the extent necessary to avoid the imposition of the additional tax imposed under Section 409A, which generally means that the Executive will receive payment on the first payroll date that occurs on or after the date that is 6 months and 1 day following the Executive’s separation from service. Notwithstanding anything to the contrary above, if the accelerated vesting and/or settlement of any restricted stock units or other awards under Section 3(b)(iv) would subject such awards to imposition of the additional tax imposed under Section 409A, then the shares or property subject thereto shall be distributed or paid only at the time(s) and according to the schedule on which such distributions or payments were scheduled to be made under the original terms of the applicable award agreement(s). The Company reserves the right to amend the Agreement as it considers necessary or advisable, in its sole discretion and without the consent of the Executive or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Section 409A or to otherwise avoid income recognition under Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment, installment, and benefit payable under the Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2). In no event will any member of the Company reimburse the Executive for any taxes that may be imposed on the Executive as a result of Section 409A.

6. Limitation on Payments.

(a) Reduction of Severance Benefits. If any payment or benefit that the Executive would receive from any Company member or any other party whether in connection

with the provisions herein or otherwise (the “**Payment**”) would: (i) constitute a “**parachute payment**” within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then such Payment will be equal to the Best Results Amount. The “**Best Results Amount**” will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Executive’s receipt, on an after-tax basis, of the greater amount. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of accelerated vesting of stock awards; reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Executive’s equity awards. The Executive will be solely responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under the Agreement, and the Executive will not be reimbursed by any member of the Company Group or any of their respective affiliates.

(b) Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Executive prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Executive at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Executive will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Executive, and the Company will have no liability to the Executive for the determinations of the firm.

7. Definitions.

The following terms referred to in the Agreement will have the following meanings:

(a) “**Base Salary**” means the Executive’s annual base salary as in effect immediately prior to the Executive’s Qualified Termination (or if the termination is due to a resignation for Good Reason based on a material reduction in base salary, then the Executive’s annual base salary in effect immediately prior to such reduction) or, if the Executive’s Qualified Termination is a CIC Qualified Termination and such amount is greater, at the level in effect immediately prior to the Change in Control.

(b) “**Cause**” means the occurrence of any of the following: (i) the Executive’s conviction of, or plea of “**no contest**” to, a felony or any crime involving fraud or embezzlement; (ii) the Executive’s intentional misconduct; (iii) the Executive’s material failure to perform the

Executive's employment duties (other than as a result of a mental or physical incapacity that results in or would reasonably be expected to result in the Executive's Disability); (iv) the Executive's unauthorized use or disclosure of any proprietary information or trade secrets of the Company or any other member of the Company Group or any other party to whom the Executive owes an obligation of nondisclosure as a result of the Executive's relationship with the Company; (v) an act of material fraud or dishonesty against the Company or any other member of the Company Group; (vi) the Executive's material violation of any policy of the Company or any other member of the Company Group or material breach of any written agreement with the Company or any other member of the Company Group; or (vii) the Executive's failure to cooperate with the Company or any other member of the Company Group in any investigation or formal proceeding. The Company will not terminate the Executive's employment for Cause without first providing the Executive with written notice specifically identifying the acts or omissions constituting the grounds for a Cause termination and, with respect to clauses (ii), (iii), (vi), and (vii), a reasonable cure period of not less than 10 business days following such notice to the extent such events are curable (as determined by the Company).

(c) "Change in Control" means the occurrence of any of the following events:

(i) Change in Ownership of the Company. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, with the stock held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, that for this subsection, the acquisition of additional stock by any one Person, who prior to such acquisition is considered to own more than 50% of the total voting power of the stock of the Company will not be considered a Change in Control. Further, if the stockholders of the Company immediately before such change in ownership continue to retain immediately after the change in ownership, in substantially the same proportions as their ownership of shares of the Company's voting stock immediately prior to the change in ownership, direct or indirect beneficial ownership of 50% or more of the total voting power of the stock of the Company, such event shall not be considered a Change in Control under this clause (i). For this purpose, indirect beneficial ownership shall include, without limitation, an interest resulting from ownership of the voting securities of one or more corporations or other business entities which own the Company, as the case may be, either directly or through one or more subsidiary corporations or other business entities; or

(ii) Change in Effective Control of the Company. Individuals who are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board over a period of 12 months; provided however that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes hereunder, be considered as a member of the Incumbent Board; or

(iii) Change in Ownership of a Substantial Portion of the Company's Assets. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending

on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer of assets by the Company to an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company; or (B) a transfer of assets to a Person, that owns, directly or indirectly, 50% or more of the total value or voting power of all the then-outstanding stock of the Company.

For this definition, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For this definition, Persons will be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

A transaction will not be a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A (as defined below).

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation; or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(d) "**Change in Control Period**" means the period beginning 3 months prior to the occurrence of a Change in Control and ending 12 months following the occurrence of a Change in Control.

(e) "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

(f) "**CIC Qualified Termination**" means a Qualified Termination that occurs during a Change in Control Period.

(g) "**Code**" means the Internal Revenue Code of 1986, as amended.

(h) "**Company Group**" means the Company and each of its subsidiaries.

(i) "**Disability**" means the Executive is, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, either: (i) unable to engage in any substantial gainful activity; or (ii) receiving income replacement benefits for a period of not less than 3 months under an accident and health plan covering employees of the Company member that is employing the Executive.

(j) "**Good Reason**" means the termination of the Executive's employment with the Company or such other applicable member of the Company Group by the Executive in accordance with the next sentence after the occurrence of one or more of the following events

without the Executive's express written consent: (i) a material reduction of the Executive's duties, authorities, or responsibilities relative to the Executive's duties, authorities, or responsibilities in effect immediately prior to such reduction; provided, however, that continued employment following a Change in Control with substantially the same duties, authorities, or responsibilities with respect to the Company's business and operations will not constitute "**Good Reason**" (for example, "**Good Reason**" does not exist if the Executive is employed by the Company or a successor with substantially the same duties, authorities, or responsibilities with respect to the Company's business that the Executive had immediately prior to the Change in Control regardless of whether the Executive's title is revised to reflect the Executive's placement within the overall corporate hierarchy or whether the Executive provides services to a subsidiary, affiliate, business unit or otherwise); (ii) a material reduction by the Company in the Executive's rate of annual base salary; provided, however, that, a reduction of annual base salary that also applies to substantially all other similarly situated employees of the Company will not constitute "**Good Reason**"; (iii) a material change in the geographic location of the Executive's primary work facility or location; provided, that a relocation of less than 35 miles from the Executive's then present location will not be considered a material change in geographic location; or (iv) the failure of the Company to obtain from any successor or transferee of the Company an express written and unconditional assumption of the Company's obligations to the Executive under the Agreement. In order for the termination of the Executive's employment with the Company to be for Good Reason, the Executive must not terminate employment without first providing written notice to the Company of the acts or omissions constituting the grounds for "**Good Reason**" within 90 days of the initial existence of the grounds for "**Good Reason**" and a cure period of 30 days following the date of written notice (the "**Cure Period**"), such grounds must not have been cured during such time, and the Executive must terminate the Executive's employment within 30 days following the last day of the Cure Period.

(k) "**Non-CIC Qualified Termination**" means a Qualified Termination that occurs outside of a Change in Control Period.

(l) "**Non-Qualified Termination**" means a termination of the Executive's employment for any reason that is not a Qualified Termination.

(m) "**Qualified Termination**" means a termination of the Executive's employment either: (A) due to the Executive's death or Disability; (B) by the Company without Cause; or (C) by the Executive for Good Reason.

8. Successors.

(a) The Company's Successors. Any successor (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets must assume the obligations under the Agreement and agree expressly to perform the obligations under the Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Agreement, the terms "**Company**" and "**Company Group**" will include any successor to their business and/or assets which executes and delivers the assumption agreement described in this Section 8(a) or which becomes bound by the terms of the Agreement by operation of law.

(b) The Executive's Successors. The terms of the Agreement and all rights of the Executive under the Agreement will inure to the benefit of, and be enforceable by, the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees, and legatees.

9. Notice.

(a) General. All notices and other communications required or permitted under the Agreement shall be in writing and will be effectively given: (i) upon actual delivery to the party to be notified; (ii) 24 hours after confirmed facsimile transmission; (iii) 1 business day after deposit with a recognized overnight courier; or (iv) 3 business days after deposit with the U.S. Postal Service by first class certified or registered mail, return receipt requested, postage prepaid, addressed (A) if to the Executive, at the address the Executive shall have most recently furnished to the Company in writing, (B) if to the Company, at the following address:

Anaplan, Inc.
50 Hawthorne St.
San Francisco, CA 94015
Attention: VP, Legal
E-mail:

(b) Notice of Termination. Any termination by the Company for Cause will be communicated by a notice of termination to the Executive, and any termination by the Executive for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 9(a) of the Agreement. Such notice will indicate the specific termination provision in the Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than 30 days after the later of: (i) the giving of such notice; or (ii) the end of any applicable cure period). The failure by the Executive to include in the notice any fact or circumstance that contributes to a showing of Good Reason will not waive any right of the Executive under the Agreement or preclude the Executive from asserting such fact or circumstance in enforcing the Executive's rights under the Agreement.

10. Resignation The termination of the Executive's employment for any reason will also constitute, without any further required action by the Executive, the Executive's voluntary resignation from all officer and/or director positions held at any member of the Company, and at the Board's request, the Executive will execute any documents reasonably necessary to reflect such resignation.

11. Arbitration. Any controversy or claim arising out of or relating to the Agreement, or any breach of the Agreement, remains subject to the Alternative Dispute

Resolution Agreement signed as a condition of employment with the Company and attached as an exhibit to the Confirmatory Employment Letter.

12. Miscellaneous Provisions.

(a) No Duty to Mitigate. The Executive will not be required to mitigate the amount of any payment contemplated by the Agreement, nor will any such payment be reduced by any earnings that the Executive may receive from any other source.

(b) Waiver: Amendment. No provision of the Agreement will be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by an authorized officer of the Company (other than the Executive) and by the Executive. No waiver by either party of any breach of, or of compliance with, any condition or provision of the Agreement by the other party will be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in the Agreement are for convenient reference only and do not form a part of the Agreement.

(d) Entire Agreement. The Agreement, together with the Confirmatory Employment Letter and the Alternative Dispute Resolution Agreement, constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties with respect to the subject matter hereof.

(e) Choice of Law. This Agreement will be governed by the laws of the State of California without regard to California's conflicts of law rules that may result in the application of the laws of any jurisdiction other than California. To the extent that any lawsuit is permitted under this Agreement, the Executive hereby expressly consents to the personal and exclusive jurisdiction and venue of the state and federal courts located in California for any lawsuit filed against the Executive by the Company.

(f) Severability. The invalidity or unenforceability of any provision or provisions of the Agreement will not affect the validity or enforceability of any other provision hereof, which will remain in full force and effect.

(g) Withholding. All payments and benefits under the Agreement will be paid less applicable withholding taxes. The Company and the other members of the Company Group are authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld from such payments or benefits and make any other required payroll deductions. Neither the Company nor any other member of the Company Group will pay the Executive's taxes arising from or relating to any payments or benefits under the Agreement.

(h) Counterparts. The Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

[Signature page follows.]

By its signature below, each of the parties signifies its acceptance of the terms of the Agreement, in the case of the Company by its duly authorized officer.

COMPANY

By: /s/ FRANK CALDERONI
Name: Frank Calderoni
Title: Chief Executive Officer
Date: September 25, 2018

THE EXECUTIVE

By: /s/ VIVIE LEE
Name: Vivie Lee
Title: Chief Strategy Officer
Date: September 24, 2018

Consent of Independent Registered Public Accounting Firm

The Board of Directors
Anaplan, Inc.:

We consent to the incorporation by reference in the registration statements (Form S-8 Nos. 333-227798 and 333-232048) of Anaplan, Inc. of our report dated March 30, 2020, with respect to the consolidated balance sheets of Anaplan, Inc. as of January 31, 2020 and 2019, the related consolidated statements of comprehensive loss, stockholders' equity, and cash flows for each of the years in the three-year period ended January 31, 2020, and the related notes (collectively, the Consolidated Financial Statements), and the effectiveness of internal control over financial reporting of Anaplan, Inc. as of January 31, 2020, which report appears in the annual report on Form 10-K of Anaplan, Inc. for the year ended January 31, 2020.

Our report on the Consolidated Financial Statements refers to a change in the method of accounting for leases due to the adoption of Accounting Standards Codification Topic 842, *Leases* as of February 1, 2019.

/s/ KPMG LLP
San Francisco, California
March 30, 2020

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank Calderoni, certify that:

1. I have reviewed this annual report on Form 10-K of Anaplan, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2020

By: */s/ Frank Calderoni*
Frank Calderoni
President & Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David H. Morton, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Anaplan, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2020

By: /s/ David H. Morton, Jr.
David H. Morton, Jr.
Executive Vice President & Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank Calderoni, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report of Anaplan, Inc. on Form 10-K for the year ended January 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Anaplan, Inc.

Date: March 30, 2020

By: */s/ Frank Calderoni*

Frank Calderoni
President & Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, David H. Morton, Jr., certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge, the Annual Report of Anaplan, Inc. on Form 10-K for the year ended January 31, 2020 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Anaplan, Inc.

Date: March 30, 2020

By: */s/ David H. Morton, Jr.*

David H. Morton, Jr.

Executive Vice President & Chief Financial Officer
(Principal Financial Officer)