

| | |
|--|-----------|
| OMB APPROVAL | |
| OMB Number: | 3235-0287 |
| Estimated average burden hours per response: | 0.5 |

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| | | |
|---|--|--|
| 1. Name and Address of Reporting Person* <u>Mcllwain Matthew S</u> _____ (Last) (First) (Middle) <u>11100 NE 8TH STREET, SUITE 600</u> _____ (Street) <u>BELLEVUE WA 98004</u> _____ (City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol <u>Apptio Inc [APTI]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director 10% Owner _____ Officer (give title below) Other (specify below) |
| | 3. Date of Earliest Transaction (Month/Day/Year) <u>05/10/2018</u> | |
| 4. If Amendment, Date of Original Filed (Month/Day/Year) | | |

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) | | | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Class A Common Stock | 05/10/2018 | | C | | 2,049,786 | A | \$0.00 | 2,049,786 | I | See footnote ⁽¹⁾ |
| Class A Common Stock | 05/10/2018 | | J ⁽⁵⁾ | | 1,000,000 | D | \$0.00 | 1,049,786 | I | See footnote ⁽¹⁾ |
| Class A Common Stock | 05/10/2018 | | J ⁽⁶⁾ | | 25,318 | A | \$0.00 | 48,941 ⁽⁷⁾ | D | |
| Class A Common Stock | 05/10/2018 | | J ⁽⁸⁾ | | 9,484 | A | \$0.00 | 18,691 | I | See footnote ⁽⁹⁾ |

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | | 6. Date Exercisable and Expiration Date (Month/Day/Year) | | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | | 8. Price of Derivative Security (Instr. 5) | 9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------------------------|--|-----------------|---|----------------------------|--|--|---|--|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | | | |
| Class B Common Stock | \$0.00 ⁽²⁾ | 05/10/2018 | | C | | | 2,049,786 ⁽¹⁾ | (2) | (2) | Class A Common Stock | 2,049,786 ⁽¹⁾ | \$0.00 | 0 | I | See footnote ⁽¹⁾ |
| Stock Option (right to buy) | \$14.31 | 05/10/2018 | | J ⁽³⁾ | | | 30,000 | (4) | 11/05/2025 | Class B Common Stock | 30,000 | \$0.00 | 0 | D | |
| Stock Option (right to buy) | \$14.31 | 05/10/2018 | | J ⁽³⁾ | | 30,000 | | (4) | 11/05/2025 | Class A Common Stock | 30,000 | \$0.00 | 30,000 | D | |

Explanation of Responses:

- Prior to the Distribution (defined below), includes 1,971,044 shares held by Madrona Venture Fund III, L.P. ("Madrona III") and 78,742 shares held by Madrona Venture Fund III-A, L.P. ("Madrona III-A"). Following the Distribution, includes 1,009,457 shares held by Madrona III and 40,329 shares held by Madrona III-A. Matthew Mcllwain (who is a director of the issuer and files separate section 16(a) reports) is a managing director of the various entities affiliated with Madrona. Madrona Investment Partners III, L.P. is the general partner of Madrona III and Madrona III-A. Mr. Mcllwain disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein.
- The Company's Class B Common Stock automatically converted to Class A Common Stock on May 10, 2018, which is the date the Class B Common Stock ceased to represent at least 25% of the Issuer's outstanding common stock, as established in the Issuer's Amended and Restated Certificate of Incorporation.
- In connection with the conversion described in footnote (2), outstanding options to purchase Class B Common Stock issued under the Issuer's 2011 Executive Equity Incentive Plan and 2007 Stock Plan remain unchanged, except that they now represent a right to buy shares of the Issuer's Class A Common Stock.
- 1/3rd of the shares subject to the option shall become vested on September 29, 2017 and 1/36th of the shares subject to the option shall vest monthly thereafter for the next 24 months. The option is subject to an early exercise right and may be exercised in full prior to the vesting of the shares underlying the option, subject to the issuer's right of repurchase.
- Represents a pro rata distribution for no consideration to the limited partners and general partners of Madrona III and Madrona III-A (the "Distribution").
- Acquisition by the reporting person, who is a Managing Director of the various entities affiliated with Madrona, pursuant to the Distribution.
- Includes 8,685 RSUs that represent contingent rights to receive 8,685 shares of the Issuer's Class A Common Stock upon settlement.
- Acquisition by the Mcllwain Family GST Trust, pursuant to the Distribution.
- Held by the Mcllwain Family GST Trust.

Remarks:

/s/ John Morrow, attorney-in-
fact 05/14/2018

** Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.