



Upwork Reports First Quarter 2026 Financial Results

May 7, 2026

*GSV per Active Client Increased 5% Year-over-Year through AI Work Category and SMB Growth Initiatives
Company Raises Full Year 2026 Adjusted EBITDA Guidance*

PALO ALTO, Calif., May 07, 2026 (GLOBE NEWSWIRE) -- Upwork Inc. (Nasdaq: UPWK), the world's human and AI-powered work marketplace, today announced its financial results for the first quarter of 2026.

"This was a dynamic first quarter, where we delivered strong profitability while navigating a challenging demand environment," said Hayden Brown, president and CEO of Upwork Inc. "The nature of work continues to shift as AI advances, and we continue to build Upwork for where work is headed. With momentum in our AI, SMB, and Enterprise growth pillars, we are confident in our strategy and are taking the necessary steps today to further sharpen our execution."

"We are managing the business with a level of discipline, rigor, and agility that enables us to increase our bottom line outlook," said Erica Gessert, CFO of Upwork Inc. "As our growth pillars continue to scale, we expect them to increasingly overshadow the cyclical and near-term factors currently impacting the business."

First Quarter 2026 Financial Highlights

- **GSV⁽¹⁾** was \$987.1 million, approximately flat year-over-year
- **Revenue** grew 1% year-over-year to \$195.5 million
- **Active clients⁽¹⁾** of 784,000
- **GSV per active client⁽¹⁾** of \$5,138 increased 5% year-over-year
- **GAAP Net income** was \$31.5 million, a decrease of 17% year-over-year
- **GAAP Diluted earnings per share** was \$0.24, compared to diluted earnings per share of \$0.27 in the first quarter of 2025
- **Adjusted EBITDA⁽²⁾** was \$57.4 million, up 3% year-over-year
- **Cash provided by operating activities** was \$23.0 million, compared to cash provided by operating activities of \$37.0 million in the first quarter of 2025
- **Free cash flow⁽²⁾** was \$12.9 million, compared to free cash flow of \$30.8 million in the first quarter of 2025
- **Share repurchase program** returned \$107.9 million to shareholders in the first quarter of 2026 with the repurchase of 8.1 million shares. On February 18, 2026, the Company announced a new \$300 million repurchase authorization. As of March 31, 2026, the Company had \$256.1 million in remaining authorization in its repurchase program.

First Quarter 2026 and Recent Operational Highlights

Building the World's Human and AI-Powered Work Marketplace

- [Brought the global Upwork Marketplace to ChatGPT](#) via an Upwork app that enables businesses to describe their project needs, discover relevant talent, and draft job posts directly in ChatGPT, so they can find experts faster, right where they're starting work.
- [Upwork Updates Spring 2026](#) featured a number of AI-powered innovations driven by Uma™, Upwork's AI work agent, focused on helping small and medium-sized businesses (SMB) more efficiently find, hire, and work with independent talent.
- Launched a redesigned, AI-native homepage and platform experience that simplifies navigation and surfaces in-demand skills, making it easier for customers to discover relevant talent and opportunities.

Growing AI Work on the Marketplace

- GSV from AI-related work increased more than 40% year-over-year in Q1 2026.
- GSV from AI Integration & Automation, the largest AI-related work sub-category, grew more than 50% year-over-year in Q1 2026.

Winning Bigger with SMB

- Q1 2026 GSV from Upwork Business Plus offering for SMB increased 34% quarter-over-quarter.
- Q1 2026 Business Plus active clients grew 35% quarter-over-quarter.
- 39% of active clients on Business Plus in Q1 2026 were net-new customers to Upwork.

Unlocking the Enterprise Opportunity

- Achieved technology and operations integration milestones that position Lifted to begin migrating its first wave of enterprise customers onto its new platform by the end of June.
- Go-to-market drove significant sales pipeline expansion with new and existing enterprise clients.

Revolving Credit Facility Update

Upwork is announcing today that it has secured a commitment letter to add a revolving credit facility in the aggregate principal amount of \$150 million. The Company expects to finalize the credit agreement in the coming weeks.

Restructuring Plan

Today, Upwork is also announcing a restructuring plan that includes a reduction of the Company's total workforce by approximately 24%. Upwork is taking these actions to build a more efficient operating model and position the Company for profitable growth as the nature of work evolves. The Company expects execution of the restructuring plan to be substantially complete in the fourth quarter of 2026.

In connection with these actions, the Company estimates that it will incur approximately \$16 million to \$23 million in pre-tax restructuring charges to its GAAP financial results, consisting primarily of severance and other one-time termination costs for the Company's impacted workforce. Upwork expects most of these charges to be cash expenditures and to be recognized over the next two to three quarters, with the majority of these charges being recognized in the second quarter of 2026.

A message to Upwork employees from Hayden Brown, president and CEO, regarding today's announcement is available on Upwork's press page at <https://www.upwork.com/press/releases>.

Financial Guidance & Outlook

Upwork's guidance for revenue, adjusted EBITDA, diluted weighted-average shares outstanding, and non-GAAP diluted EPS for the second quarter of 2026 is:

- **Revenue:** \$187 million to \$193 million
- **Adjusted EBITDA:** \$56 million to \$59 million
- **Diluted weighted-average shares outstanding:** 130 million to 133 million
- **Non-GAAP diluted EPS:** \$0.35 to \$0.37

Upwork's guidance for revenue, adjusted EBITDA, diluted weighted-average shares outstanding, and non-GAAP diluted EPS for full year 2026 is:

- **Revenue:** \$760 million to \$790 million
- **Adjusted EBITDA:** \$250 million to \$260 million
- **Diluted weighted-average shares outstanding:** 132 million to 135 million
- **Non-GAAP diluted EPS:** \$1.50 to \$1.55

UPWORK INC.
Key Financial and Operational Metrics
(In thousands, except percentages and basis points)
(Unaudited)

| | Three Months Ended March 31, | | |
|---------------------------------------|------------------------------|------------|----------|
| | 2026 | 2025 | Change |
| GSV ⁽¹⁾ | \$ 987,110 | \$ 987,712 | (0.1)% |
| Marketplace revenue ⁽¹⁾ | \$ 170,705 | \$ 166,293 | 3% |
| Enterprise revenue ⁽¹⁾ | \$ 24,778 | \$ 26,413 | (6)% |
| Gross profit | \$ 150,842 | \$ 150,900 | —% |
| Gross profit margin | 77% | 78% | -114 bps |
| Operating expenses | \$ 118,124 | \$ 112,210 | 5% |
| Net income | \$ 31,461 | \$ 37,730 | (17)% |
| Adjusted EBITDA ⁽²⁾ | \$ 57,426 | \$ 56,011 | 3% |
| Profit margin | 16% | 20% | -349 bps |
| Adjusted EBITDA margin ⁽²⁾ | 29% | 29% | 31 bps |
| Cash provided by operating activities | \$ 23,019 | \$ 36,965 | (38)% |
| Free cash flow ⁽²⁾ | \$ 12,905 | \$ 30,790 | (58)% |

| | As of March 31, | | |
|--|-----------------|------|----------|
| | 2026 | 2025 | % Change |

(In thousands)

⁽¹⁾ See Key Definitions in our first quarter 2026 earnings presentation.

⁽²⁾ An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the "Non-GAAP Financial Measures" section and the subsequent tables at the end of this press release.

First Quarter 2026 Financial Results Conference Call and Webcast

Upwork will host a conference call today at 2:00 p.m. Pacific Time/5:00 p.m. Eastern Time to discuss the company's first quarter 2026 financial results. An audio webcast archive will be available following the live event for approximately one year at investors.upwork.com. Please visit the Upwork Investor Relations website at investors.upwork.com/financial-information/quarterly-results to view Upwork's first quarter 2026 earnings presentation.

Disclosure Information

We use our Investor Relations website (investors.upwork.com), our Blog (upwork.com/blog), our X handle (twitter.com/Upwork), Hayden Brown's X handle (twitter.com/hydnbrwn) and LinkedIn profile (linkedin.com/in/haydenbrown), and Erica Gessert's LinkedIn profile (linkedin.com/in/ericagessert) as means of disseminating or providing notification of, among other things, news or announcements regarding our business or financial performance, investor events, press releases, and earnings releases, and as means of disclosing material nonpublic information and for complying with our disclosure obligations under Regulation FD.

About Upwork

Upwork Inc.'s (Nasdaq: UPWK) family of companies connects businesses with global, AI-enabled talent across every contingent work type including freelance, fractional, and payrolled. This portfolio includes the Upwork Marketplace, which connects businesses with on-demand access to highly skilled talent across the globe, and Lifted, which provides a purpose-built solution for enterprise organizations to source, contract, manage, and pay talent across the full spectrum of contingent work. From Fortune 100 enterprises to entrepreneurs, businesses rely on Upwork Inc. to find and hire expert talent, leverage AI-powered work solutions, and drive business transformation. With access to professionals spanning more than 10,000 skills across AI & machine learning, software development, sales & marketing, customer support, finance & accounting, and more, the Upwork family of companies enables businesses of all sizes to scale, innovate, and transform their workforces for the age of AI and beyond.

Since its founding, Upwork Inc. has facilitated more than \$30 billion in total transactions and services as it fulfills its purpose to create opportunity in every era of work. Learn more about the Upwork Marketplace at upwork.com and follow on [LinkedIn](#), [Facebook](#), [Instagram](#), [TikTok](#), and [X](#); and learn more about Lifted at go-lifted.com and follow on LinkedIn.

Contact:

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Safe Harbor:

This press release of Upwork Inc. (together with its wholly owned subsidiaries, the "Company," "we," "us," or "our") contains "forward-looking" statements within the meaning of the federal securities laws. Forward-looking statements include all statements other than statements of historical fact, including any statements regarding our future operating results and financial position, including expected financial results for the second quarter and full year 2026, information or predictions concerning the future of our business or strategy, future market opportunity and market size, future products, features, or functionality, anticipated events and trends, potential growth or growth prospects, competitive position, technological and market trends, industry environment, the economy, our expectations regarding financing activities, our plans with respect to share repurchases, the expected impact and timing of cost-saving initiatives, the expected impact and timing of strategic initiatives, including the migration of customers to Lifted, our enterprise-focused subsidiary, and other future conditions.

We have based these forward-looking statements largely on our current expectations and projections as of the date hereof about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short- and long-term business operations and objectives, and financial needs. As such, they are subject to inherent uncertainties, known and unknown risks, and changes in circumstances that are difficult to predict and in many cases outside our control, and you should not place undue reliance on such forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time. We make no representation that the plans, intentions, expectations, or results disclosed in these forward-looking statements will be achieved or that future events and circumstances will occur, and actual results or events may differ materially and adversely from our expectations. The forward-looking statements are made as of the date hereof, and we do not undertake, and expressly disclaim, any obligation to update or revise any forward-looking statements, conform these statements to actual results, or make changes in our expectations, except as required by law. Additional information regarding the risks and uncertainties that could cause actual results to differ materially from our expectations is included under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025, filed with the SEC on February 13, 2026, and in our other SEC filings, which are available on our Investor Relations website at investors.upwork.com and on the SEC's website at www.sec.gov.

Additional information will also be set forth under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the three months ended March 31, 2026, when filed.

Upwork, Lifted, UmaTM, and other registered or common law trade names, trademarks, or service marks of Upwork appearing in this press release are the property of Upwork. This press release may also contain additional trade names, trademarks, and service marks of other companies, including names and brands. All third-party trademarks are property of their respective owners, and any references to third-party trademarks are for identification purposes only and shall be considered nominative fair use under trademark law.

| | Three Months Ended March 31, | |
|---|---------------------------------|------------|
| | 2026 | 2025 |
| Revenue | | |
| Marketplace | \$ 170,705 | \$ 166,293 |
| Enterprise | 24,778 | 26,413 |
| Total revenue | 195,483 | 192,706 |
| Cost of revenue | 44,641 | 41,806 |
| Gross profit | 150,842 | 150,900 |
| Operating expenses | | |
| Research and development | 43,307 | 46,152 |
| Sales and marketing | 37,437 | 35,751 |
| General and administrative | 35,158 | 28,048 |
| Provision for transaction losses | 2,222 | 2,259 |
| Total operating expenses | 118,124 | 112,210 |
| Income from operations | 32,718 | 38,690 |
| Other income, net | 4,992 | 6,317 |
| Income before income taxes | 37,710 | 45,007 |
| Income tax provision | (6,249) | (7,277) |
| Net income | \$ 31,461 | \$ 37,730 |
| Net income per share: | | |
| Basic | \$ 0.25 | \$ 0.28 |
| Diluted | \$ 0.24 | \$ 0.27 |
| Weighted-average shares used to compute net income per share: | | |
| Basic | 128,116 | 135,208 |
| Diluted | 135,656 | 142,777 |

UPWORK INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

| | March 31, 2026 | December 31, 2025 |
|--|----------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 328,400 | \$ 294,356 |
| Marketable securities | 251,334 | 378,425 |
| Funds held in escrow, including funds in transit | 203,685 | 180,752 |
| Trade and client receivables, net | 75,911 | 76,236 |
| Prepaid expenses and other current assets | 23,971 | 21,064 |
| Total current assets | 883,301 | 950,833 |
| Property and equipment, net | 49,278 | 44,421 |
| Goodwill | 149,192 | 149,192 |
| Intangible assets, net | 34,231 | 37,161 |
| Operating lease asset | 12,656 | 5,011 |
| Deferred tax asset | 111,402 | 111,495 |
| Other assets, noncurrent | 1,892 | 1,467 |
| Total assets | \$ 1,241,952 | \$ 1,299,580 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable | \$ 11,092 | \$ 7,858 |
| Escrow funds payable | 203,685 | 180,752 |
| Debt, current | 360,231 | 359,770 |
| Accrued expenses and other current liabilities | 63,994 | 94,023 |
| Deferred revenue | 8,199 | 7,765 |
| Total current liabilities | 647,201 | 650,168 |

| | | |
|--|---------------------|---------------------|
| Operating lease liability, noncurrent | 15,197 | 9,707 |
| Other liabilities, noncurrent | 9,927 | 9,390 |
| Total liabilities | <u>672,325</u> | <u>669,265</u> |
| Stockholders' equity | | |
| Common stock | 12 | 13 |
| Additional paid-in capital | 501,066 | 592,599 |
| Accumulated and other comprehensive income | 139 | 754 |
| Retained earnings | 68,410 | 36,949 |
| Total stockholders' equity | <u>569,627</u> | <u>630,315</u> |
| Total liabilities and stockholders' equity | <u>\$ 1,241,952</u> | <u>\$ 1,299,580</u> |

UPWORK INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

| | Three Months Ended March 31, | |
|---|-------------------------------------|--------------------------|
| | 2026 | 2025 |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income | \$ 31,461 | \$ 37,730 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Provision for transaction losses | 1,946 | 2,066 |
| Depreciation and amortization | 9,099 | 4,861 |
| Amortization of debt issuance costs | 460 | 460 |
| Accretion of discount on purchases of marketable securities, net | (1,850) | (1,943) |
| Amortization of operating lease asset | 397 | 202 |
| Tides Foundation common stock warrant expense | 188 | 188 |
| Stock-based compensation expense | 15,421 | 12,272 |
| Deferred taxes | 93 | — |
| Changes in operating assets and liabilities: | | |
| Trade and client receivables | (784) | (3,535) |
| Prepaid expenses and other assets | (3,480) | (3,298) |
| Operating lease liability | (25) | 830 |
| Accounts payable | 3,124 | (1,987) |
| Accrued expenses and other liabilities | (33,466) | (11,108) |
| Deferred revenue | 435 | 227 |
| Net cash provided by operating activities | <u>23,019</u> | <u>36,965</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of marketable securities | — | (50,708) |
| Proceeds from maturities of marketable securities | 128,326 | 51,380 |
| Proceeds from sale of marketable securities | — | 280 |
| Purchases of property and equipment | (1,723) | (2,472) |
| Internal-use software and platform development costs | (8,391) | (3,703) |
| Net cash provided by (used in) investing activities | <u>118,212</u> | <u>(5,223)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Change in escrow funds payable, net | 23,554 | 19,258 |
| Proceeds from exercises of stock options and common stock warrants | 83 | 652 |
| Repurchase of common stock | (107,891) | (33,054) |
| Net cash used in financing activities | <u>(84,254)</u> | <u>(13,144)</u> |
| NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH | 56,977 | 18,598 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—beginning of period | 478,908 | 505,593 |
| CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—end of period | <u>\$ 535,885</u> | <u>\$ 524,191</u> |

The following table reconciles cash, cash equivalents, and restricted cash as reported in the condensed consolidated balance sheets to the total of the same amounts shown in the condensed consolidated statements of cash flows as of the following (in thousands):

| | March 31, 2026 | December 31, 2025 |
|---------------------------|-----------------------|--------------------------|
| Cash and cash equivalents | \$ 328,400 | \$ 294,356 |

| | | |
|--|-------------------|-------------------|
| Restricted cash | 3,800 | 3,800 |
| Funds held in escrow, including funds in transit | <u>203,685</u> | <u>180,752</u> |
| Total cash, cash equivalents, and restricted cash as shown in the condensed consolidated statement of cash flows | <u>\$ 535,885</u> | <u>\$ 478,908</u> |

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"), we present certain non-GAAP financial measures in this press release, including adjusted EBITDA, adjusted EBITDA margin, free cash flow, and non-GAAP diluted EPS.

We define adjusted EBITDA as net income adjusted for stock-based compensation expense; depreciation and amortization; other income (expense), net, which includes interest expense; income tax benefit (provision); and, if applicable, certain other gains, losses, benefits, or charges that are non-cash or are significant and the result of isolated events or transactions that have not occurred frequently in the past and are not expected to occur regularly in the future. Free cash flow is defined as cash provided by operations less purchases of property, plant and equipment and cash outflows from internally developed software.

We use non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These non-GAAP financial measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of our core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. In addition, adjusted EBITDA is widely used by investors and securities analysts to measure a company's operating performance without regard to certain items that can vary substantially from company to company, and free cash flow allows investors to evaluate the cash generated from our underlying operations across periods.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as analytical tools, and investors should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. In particular, (1) adjusted EBITDA and certain of our other non-GAAP financial measures exclude stock-based compensation expense, which has recently been, and will continue to be for the foreseeable future, a significant recurring expense for our business and an important part of our compensation strategy, (2) although depreciation and amortization expense are non-cash charges, the assets subject to depreciation and amortization may have to be replaced in the future, and adjusted EBITDA and certain of our other non-GAAP financial measures do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements, and (3) adjusted EBITDA does not reflect: (a) changes in, or cash requirements for, our working capital needs; (b) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; (c) tax payments that may represent a reduction in cash available to us; or (d) material acquisition-related deal costs. In addition, the utility of free cash flow as a measure of our liquidity is limited as it does not represent the total increase or decrease in our cash balance for a given period. Moreover, the non-GAAP financial measures we use may be different from non-GAAP financial measures used by other companies, including companies in our industry, limiting their usefulness for comparison purposes. We compensate for these limitations by providing specific information regarding the GAAP items excluded from the non-GAAP financial measures that we present. Reconciliations of the non-GAAP financial measures presented in this press release to their most directly comparable GAAP financial measures have been provided below, and investors are encouraged to review the reconciliations and not rely on any single financial measure to evaluate our business.

We have not reconciled our adjusted EBITDA guidance to GAAP net income or non-GAAP diluted EPS guidance to GAAP diluted EPS because certain items that impact GAAP net income and GAAP diluted EPS are uncertain or out of our control and cannot be reasonably predicted. In particular, stock-based compensation expense is impacted by the future fair market value of our common stock and other factors, all of which are difficult to predict, subject to frequent change, or not within our control. The actual amount of these expenses during the second quarter of 2026 and fiscal year 2026 will have a significant impact on our future GAAP financial results. Accordingly, a reconciliation of adjusted EBITDA guidance to GAAP net income and non-GAAP diluted EPS guidance to GAAP diluted EPS is not available without unreasonable effort.

UPWORK INC.
RECONCILIATION OF GAAP TO NON-GAAP RESULTS
(In thousands, except for percentages and share data)
(Unaudited)

| | Three Months Ended March 31, | |
|----------------------------------|-------------------------------------|------------------|
| | 2026 | 2025 |
| Net income | \$ 31,461 | \$ 37,730 |
| Add back (deduct): | | |
| Stock-based compensation expense | 15,421 | 12,272 |
| Depreciation and amortization | 9,099 | 4,861 |
| Other income, net | (4,992) | (6,317) |
| Income tax provision | 6,249 | 7,277 |
| Other ⁽¹⁾ | 188 | 188 |
| Adjusted EBITDA | <u>\$ 57,426</u> | <u>\$ 56,011</u> |
| Profit margin | 16% | 20% |
| Adjusted EBITDA margin | 29% | 29% |
| Cost of revenue, GAAP | \$ 44,641 | \$ 41,806 |

| | | |
|--|----------------|----------------|
| Stock-based compensation expense | (162) | (187) |
| Cost of revenue, Non-GAAP | <u>44,479</u> | <u>41,619</u> |
| <i>As a percentage of total revenue, GAAP</i> | 23% | 22% |
| <i>As a percentage of total revenue, Non-GAAP</i> | 23% | 22% |
| Gross profit, GAAP | \$ 150,842 | \$ 150,900 |
| Stock-based compensation expense | 162 | 187 |
| Gross profit, Non-GAAP | <u>151,004</u> | <u>151,087</u> |
| <i>Gross margin, GAAP</i> | 77% | 78% |
| <i>Gross margin, Non-GAAP</i> | 77% | 78% |
| Research and development, GAAP | \$ 43,307 | \$ 46,152 |
| Stock-based compensation expense | (4,805) | (5,812) |
| Intangible amortization | <u>(2,930)</u> | <u>(1,315)</u> |
| Research and development, Non-GAAP | <u>35,572</u> | <u>39,025</u> |
| <i>As a percentage of total revenue, GAAP</i> | 22% | 24% |
| <i>As a percentage of total revenue, Non-GAAP</i> | 18% | 20% |
| Sales and marketing, GAAP | \$ 37,437 | \$ 35,751 |
| Stock-based compensation expense | (1,420) | (1,501) |
| Intangible amortization | <u>—</u> | <u>(500)</u> |
| Sales and marketing, Non-GAAP | <u>36,017</u> | <u>33,750</u> |
| <i>As a percentage of total revenue, GAAP</i> | 19% | 19% |
| <i>As a percentage of total revenue, Non-GAAP</i> | 18% | 18% |
| General and administrative, GAAP | \$ 35,158 | \$ 28,048 |
| Stock-based compensation expense | (9,034) | (4,772) |
| Other ⁽¹⁾ | <u>(188)</u> | <u>(188)</u> |
| General and administrative, Non-GAAP | <u>25,936</u> | <u>23,088</u> |
| <i>As a percentage of total revenue, GAAP</i> | 18% | 15% |
| <i>As a percentage of total revenue, Non-GAAP</i> | 13% | 12% |
| Total operating expenses, GAAP | \$ 118,124 | \$ 112,210 |
| Stock-based compensation expense | (15,259) | (12,085) |
| Intangible amortization | (2,930) | (1,815) |
| Other ⁽¹⁾ | <u>(188)</u> | <u>(188)</u> |
| Total operating expenses, Non-GAAP | <u>99,747</u> | <u>98,122</u> |
| <i>As a percentage of total revenue, GAAP</i> | 60% | 58% |
| <i>As a percentage of total revenue, Non-GAAP</i> | 51% | 51% |
| Income from operations, GAAP | \$ 32,718 | \$ 38,690 |
| Stock-based compensation expense | 15,421 | 12,272 |
| Intangible amortization | 2,930 | 1,815 |
| Other ⁽¹⁾ | <u>188</u> | <u>188</u> |
| Income from operations, Non-GAAP | <u>51,257</u> | <u>52,965</u> |
| Net income, GAAP | \$ 31,461 | \$ 37,730 |
| Stock-based compensation expense | 15,421 | 12,272 |
| Intangible amortization | 2,930 | 1,815 |
| Tax effect of non-GAAP adjustments | (2,695) | (3,631) |
| Other ⁽¹⁾ | <u>188</u> | <u>188</u> |
| Net income, Non-GAAP | <u>47,305</u> | <u>48,374</u> |
| Weighted-average shares outstanding used in computing earnings per share, GAAP | | |
| Basic (in millions) | 128.1 | 135.2 |
| Diluted (in millions) | 135.7 | 142.8 |
| Basic earnings per share, GAAP | \$ 0.25 | \$ 0.28 |
| Diluted earnings per share, GAAP | \$ 0.24 | \$ 0.27 |
| Weighted-average shares outstanding used in computing earnings per share, Non-GAAP | | |
| Basic (in millions) | 128.1 | 135.2 |

| | | | | |
|--------------------------------------|----|-------|----|-------|
| Diluted (in millions) | | 135.7 | | 142.8 |
| Basic earnings per share, Non-GAAP | \$ | 0.37 | \$ | 0.36 |
| Diluted earnings per share, Non-GAAP | \$ | 0.35 | \$ | 0.34 |

(1) During the three months ended March 31, 2026 and 2025, we incurred \$0.2 million of expense related to the warrant to purchase 500,000 shares of our common stock at an exercise price of \$0.01 per share issued to the Tides Foundation in 2018.

UPWORK INC.
RECONCILIATION OF CASH PROVIDED BY OPERATING ACTIVITIES
TO FREE CASH FLOW
(In thousands)
(Unaudited)

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------|
| | 2026 | 2025 |
| Cash provided by operating activities | \$ 23,019 | \$ 36,965 |
| Less: purchases of property, plant & equipment and cash outflows from internally developed software | (10,114) | (6,175) |
| Free cash flow | \$ 12,905 | \$ 30,790 |