Upwork Investor Presentation

NASDAQ:
UPWK

November 2026

upwork

Safe Harbor Statement

This presentation 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, information or predictions concerning the future of our business or strategy, future market opportunity and market size, future products, features, or functionality, including our MCP server and other AI-enabled offerings, anticipated events and trends, potential growth or growth prospects, competitive position, technological and market trends, industry environment, the economy, our plans with respect to share repurchases, the expected impact and timing of strategic initiatives, including the acquisition of WorkMotion Software GmbH by a subsidiary of the Company, or cost-saving initiatives, 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 Quarterly Report on Form 10-Q for the three months ended March 31, 2026, filed with the SEC on May 7, 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 September 30, 2026, when filed.

Undue reliance should not be placed on the forward-looking statements in this presentation. Neither we nor any other person makes any representation or warranty as to the accuracy or completeness of the information herein. This presentation is made solely for informational purposes.

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The **new** Upwork

- Fundamentally **reinvented business for the next chapter**
- Clear traction with **three massive growth opportunities**
- **Strong profitability and free cash flow generation**



The **human and AI-powered** work marketplace

Work delivery platform:
AI-powered & end-to-end

Business demand:
SMB through enterprise clients & AI agents



Category breadth:
High spend & retention

Talent supply:
Global & highly skilled talent pool & AI agents

A **$1.3T market opportunity** in 2028



SMBs

$530B

2028 global spend on contingent digital knowledge work in companies with <500 employees



Enterprise

$650B

2028 global spend on contingent digital knowledge work in companies with >500 employees



Agentic AI

$120B

Agentic AI work aligned with or enhancing digital knowledge work by 2028

Source: Upwork Market Study, a commissioned third-party study that estimates the flexible digital knowledge work market based on data from, among other sources, the Bureau of Labor Statistics, World Bank, and the International Labour Organization (October 2025).

Three growth pillars

1. Transforming human + AI work
2. Accelerating SMB growth
3. Unlocking Enterprise expansion

Third Quarter Results

Q3’26

GSV	Revenue	GAAP Gross Margin
$914.1M	**$185.6M**	**76.1%**
-10% year-over-year	*-8% year-over-year*	*-115 bps year-over-year*

Adjusted EBITDA	Free Cash Flow	Take Rate
$63.8M	**$53.9M**	**20.3%**
34.4% adj. EBITDA margin	*84.4% FCF/adj. EBITDA*	*+46 bps year-over-year*

“GSV,” “Adjusted EBITDA,” “Free Cash Flow,” and “Take Rate” are defined in the definitions section of this presentation. Adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow conversion rate are non-GAAP financial measures and are presented for supplemental purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the appendix of this presentation. For more information regarding our third quarter 2026 results, please refer to our press release dated November 2, 2026, and our Quarterly Report on Form 10-Q for the three months ended September 30, 2026, when filed.

Strategic growth pillars **update**

AI frontiers

The Upwork Model Context Protocol (MCP) server has seen rapid growth in adoption and usage among clients and freelancers.
Weekly active users have increased 20x since the launch in August, while AI agents have made nearly 50 million requests.
MCP server usage is driving an estimated $3M in annualized Connects revenue.

Strong **SMB** traction with Business Plus

Q3 2026 GSV from Business Plus offering for SMBs increased 16% quarter-over-quarter and 132% year-over-year.
Q3 2026 Business Plus active clients grew 9% quarter-over-quarter and 154% year-over-year.
40% of active clients on Business Plus in Q3 2026 had their first Upwork spend on Business Plus.

Doubling down on the **Enterprise** opportunity

Lifted acquired WorkMotion, a leading Employer of Record (EOR), enabling direct employment of contingent talent in 30+ countries.
We continue to make strong progress on the migration of Enterprise customers to the Lifted platform.

Transforming human + AI work



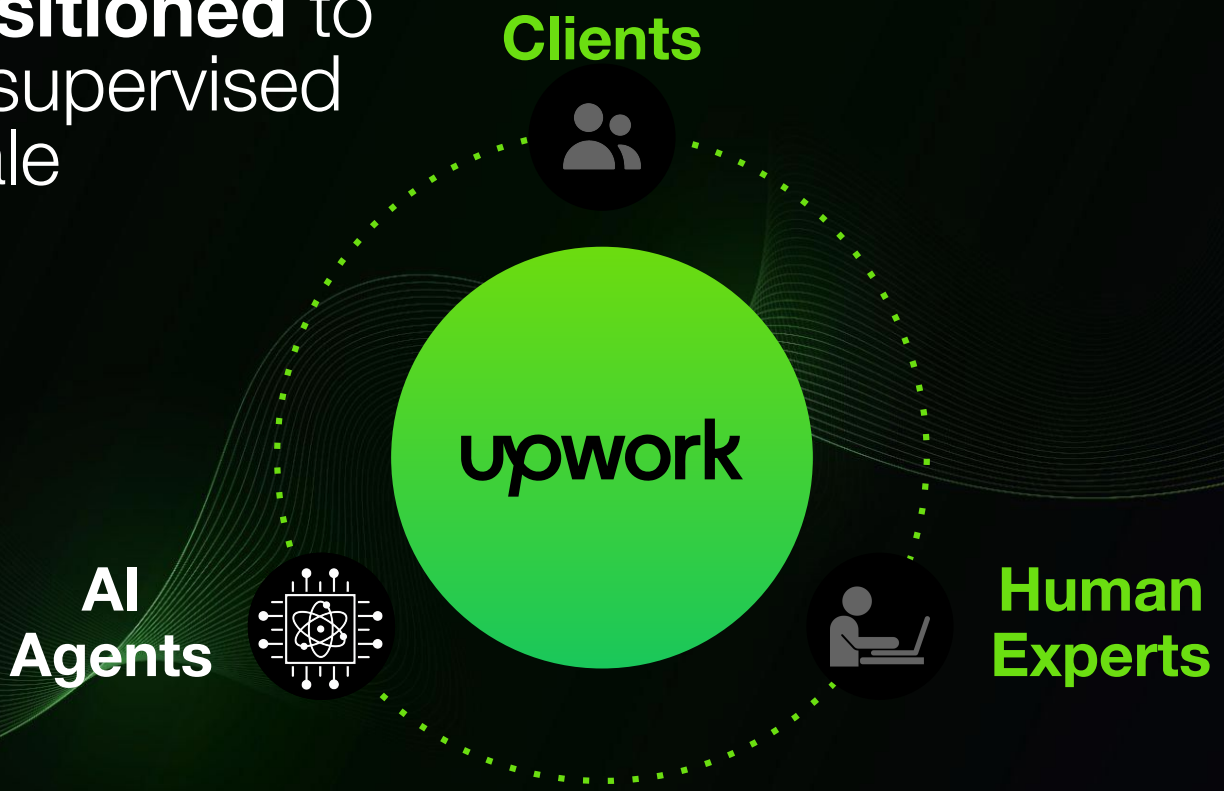
GSV from freelancers with AI skills ~$450 million on an annualized basis in Q3 2026

55%

Year-over-year growth in GSV from **Talent with AI Skills**

Year-over-year growth rates compare the third quarter of 2026 to the third quarter of 2025. Annualized GSV is GSV in the quarter multiplied by four.

Uniquely positioned to offer human-supervised agents at scale

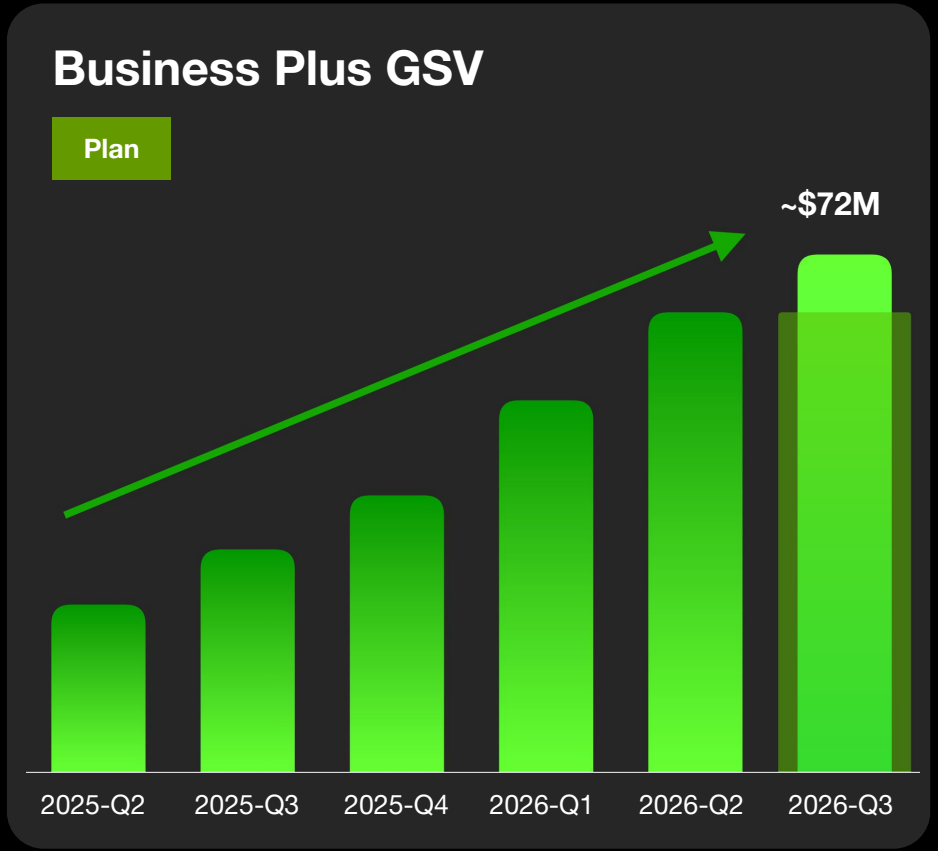


Accelerating SMB Growth

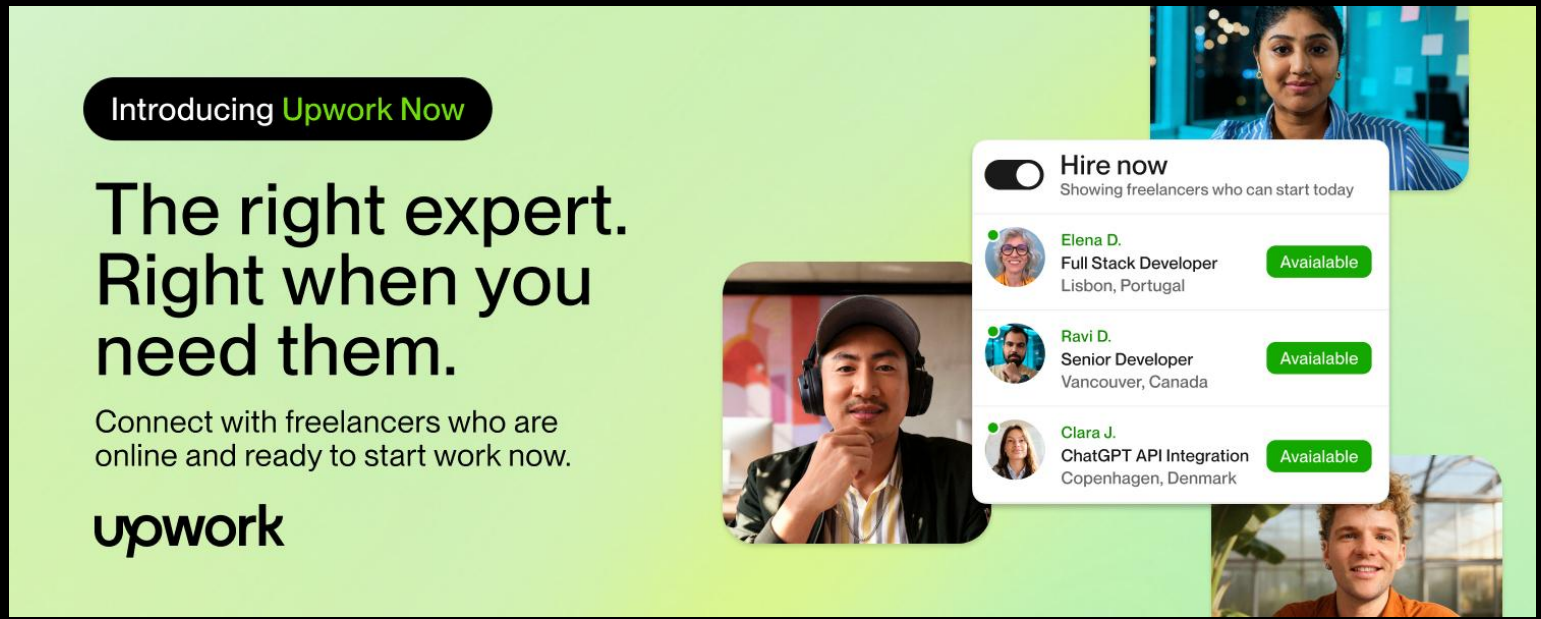
Attract and convert more new SMB customers with tailored solutions, such as Business Plus, and value added services to unlock the SMB market opportunity

Q3 2026 highlights:

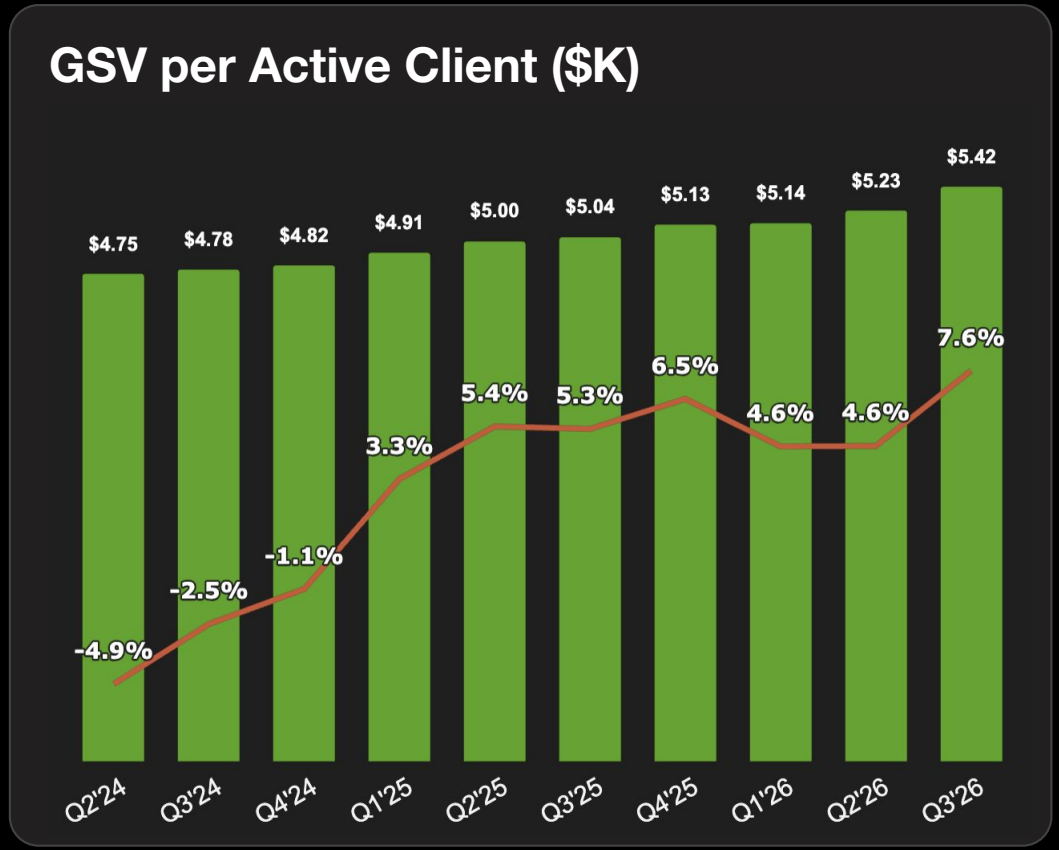
- Business Plus GSV **increased 13%** quarter-over-quarter and 132% year-over-year
- Business Plus represented 8% of Upwork's total GSV in Q3 2026



Upwork Now on-demand hiring built for the AI era



Strategic focus on high-value client acquisition driving GSV per Active Client and new expansion amid acquisition environment pressures



Y/Y GSV per Active Client.

Appendix
+ Definitions

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Change	2026	2025	Change
GSV[1]	$ 914,064	$ 1,016,679	(10.1)%	$2,866,539	$3,007,053	(4.7)%
Marketplace revenue[1]	$ 159,321	$ 174,572	(9)%	$ 496,884	$ 511,525	(3)%
Enterprise revenue[1]	$ 26,278	$ 27,158	(3)%	$ 75,858	$ 77,850	(3)%
Gross profit	$ 141,295	$ 155,887	(9)%	$ 438,509	$ 458,294	(4)%
Gross profit margin	76 %	77 %	-115 bps	77 %	78 %	-120 bps
Operating expenses	$ 106,702	$ 126,129	(15)%	$ 343,061	$ 357,281	(4)%
Net income	$ 31,810	$ 29,335	8 %	$ 88,675	$ 99,791	(11)%
Adjusted EBITDA[2]	$ 63,789	$ 59,627	7 %	$ 185,268	$ 172,699	7 %
Profit margin	17 %	15 %	260 bps	15 %	17 %	-145 bps
Adjusted EBITDA margin[2]	34 %	30 %	481 bps	32 %	29 %	305 bps
Cash provided by operating activities	$ 65,947	$ 75,079	(12)%	$ 135,840	$ 184,558	(26)%
Free cash flow[2]	$ 53,854	$ 69,431	(22)%	$ 102,697	$ 165,847	(38)%

	As of September 30,		
(In thousands)	2026	2025	% Change
Active clients[1]	717	794	(10)%

[1] See Key Definitions section in this 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 of this presentation.

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

	September 30, 2026	December 31, 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 227,986	$ 294,356
Marketable securities	76,346	378,425
Funds held in escrow, including funds in transit	164,606	180,752
Trade and client receivables, net	79,315	76,236
Prepaid expenses and other current assets	19,651	21,064
Total current assets	567,904	950,833
Property and equipment, net	61,625	44,421
Goodwill	149,192	149,192
Intangible assets, net	28,388	37,161
Operating lease asset	11,773	5,011
Deferred tax asset	108,305	111,495
Other assets, noncurrent	3,910	1,467
Total assets	$ 931,097	$ 1,299,580
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 9,336	$ 7,858
Escrow funds payable	164,606	180,752
Debt, current	—	359,770
Accrued expenses and other current liabilities	69,725	94,023
Deferred revenue	8,620	7,765
Total current liabilities	252,287	650,168
Operating lease liability, noncurrent	13,514	9,707
Other liabilities, noncurrent	11,271	9,390
Total liabilities	277,072	669,265
Stockholders' equity		
Common stock	13	13
Additional paid-in capital	528,633	592,599
Accumulated other comprehensive (loss) income	(245)	754
Retained earnings	125,624	36,949
Total stockholders' equity	654,025	630,315
Total liabilities and stockholders' equity	$ 931,097	$ 1,299,580

UPWORK INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except for per share data)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue				
Marketplace	$ 159,321	$ 174,572	$ 496,884	$ 511,525
Enterprise	26,278	27,158	75,858	77,850
Total revenue	185,599	201,730	572,742	589,375
Cost of revenue	44,304	45,843	134,233	131,081
Gross profit	141,295	155,887	438,509	458,294
Operating expenses				
Research and development	34,889	47,494	122,090	138,489
Sales and marketing	33,832	34,985	106,183	107,407
General and administrative	36,805	41,257	108,841	104,964
Provision for transaction losses	1,176	2,393	5,947	6,421
Total operating expenses	106,702	126,129	343,061	357,281
Income from operations	34,593	29,758	95,448	101,013
Other income, net	3,951	5,917	12,909	18,112
Income before income taxes	38,544	35,675	108,357	119,125
Income tax provision	(6,734)	(6,340)	(19,682)	(19,334)
Net income	$ 31,810	$ 29,335	$ 88,675	$ 99,791
Net income per share:				
Basic	$ 0.25	$ 0.22	$ 0.71	$ 0.75
Diluted	$ 0.25	$ 0.21	$ 0.69	$ 0.72
Weighted-average shares used to compute net income per share:				
Basic	125,103	131,987	125,701	133,114
Diluted	128,261	139,666	131,383	140,910

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net income	$ 31,810	$ 29,335	$ 88,675	$ 99,791
Adjustments to reconcile net income to net cash provided by operating activities:				
Provision for transaction losses	876	2,113	4,993	5,707
Depreciation and amortization	11,353	7,946	29,232	18,686
Amortization of debt issuance costs	409	460	1,330	1,381
Accretion of discount on purchases of marketable securities, net	(238)	(2,195)	(3,017)	(5,699)
Amortization of operating lease asset	444	179	1,280	564
Tides Foundation common stock warrant expense	188	188	563	563
Stock-based compensation expense	9,173	19,789	38,717	48,038
Deferred taxes	1,555	(2,463)	3,190	(399)
Loss on disposal of fixed assets	—	—	178	—
Changes in operating assets and liabilities:				
Trade and client receivables	(1,352)	(2,014)	(2,741)	(1,654)
Prepaid expenses and other assets	5,827	3,378	192	40
Operating lease liability	(697)	(208)	(1,253)	600
Accounts payable	2,311	4,571	1,466	(504)
Accrued expenses and other liabilities	4,244	13,866	(27,820)	16,777
Deferred revenue	44	134	855	667
Net cash provided by operating activities	65,947	75,079	135,840	184,558
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of marketable securities	—	(106,791)	—	(365,939)
Proceeds from maturities of marketable securities	61,890	70,314	302,111	302,725
Proceeds from sale of marketable securities	—	64	1,986	3,601
Purchase of equity investment	(250)	—	(250)	—
Acquisition of business, net of cash acquired	—	(39,436)	—	(59,846)
Purchases of property and equipment	(4,152)	(482)	(7,493)	(5,335)
Internal-use software and platform development costs	(7,941)	(5,166)	(25,650)	(13,376)
Net cash provided by (used in) investing activities	49,547	(81,497)	270,704	(138,170)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Change in escrow funds payable, net	(31,237)	6,451	(19,553)	23,025
Proceeds from exercises of stock options and common stock warrants	24	76	793	729
Proceeds from employee stock purchase plan	—	—	1,646	2,199
Repayment of convertible senior notes	(360,998)	—	(360,998)	—
Repurchase of common stock	—	(31,001)	(109,725)	(101,923)
Payment of debt issuance costs	—	—	(1,223)	—
Net cash used in financing activities	(392,211)	(24,474)	(489,060)	(75,970)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(276,717)	(30,892)	(82,516)	(29,582)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—beginning of period	673,109	506,903	478,908	505,593
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH—end of period	$ 396,392	$ 476,011	$ 396,392	$ 476,011

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

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):

	September 30, 2026	December 31, 2025
Cash and cash equivalents	$ 227,986	$ 294,356
Restricted cash	3,800	3,800
Funds held in escrow, including funds in transit	164,606	180,752
Total cash, cash equivalents, and restricted cash as shown in the condensed consolidated statement of cash flows	$ 396,392	$ 478,908

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cash provided by operating activities	$ 65,947	$ 75,079	$ 135,840	$ 184,558
Less: purchases of property, plant & equipment and cash outflows from internally developed software	(12,093)	(5,648)	(33,143)	(18,711)
Free cash flow	$ 53,854	$ 69,431	$ 102,697	$ 165,847

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net income	$ 31,810	$ 29,335	$ 88,675	$ 99,791
Add back (deduct):				
Stock-based compensation expense [1]	9,173	19,789	38,717	48,038
Depreciation and amortization [1]	11,353	7,946	29,232	18,686
Other income, net [1]	(3,951)	(5,917)	(12,909)	(18,112)
Income tax provision	6,734	6,340	19,682	19,334
Other [1][2][3][4]	8,670	2,134	21,871	4,962
Adjusted EBITDA	$ 63,789	$ 59,627	$ 185,268	$ 172,699
Profit margin	17 %	15 %	15 %	17 %
Adjusted EBITDA margin	34 %	30 %	32 %	29 %

[1] For the three and nine months ended September 30, 2026, we incurred $4.3 million and $18.1 million in costs related to the restructuring announced in May 2026, respectively. Of these amounts, $2.7 million and $15.6 million, respectively, are included in Other, while the remaining amounts are allocated among “Stock-based compensation expense”, “Depreciation and amortization”, and “Other income, net”.

[2] For each of the three months ended September 30, 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, and for each of the nine months ended September 30, 2026 and 2025, we incurred $0.6 million of such expense.

[3] For each of the three and nine months ended September 30, 2026, we incurred transaction-related costs of $5.7 million in connection with WorkMotion Software GmbH acquisition. These costs primarily consisted of legal, accounting, and other professional fees, and were recorded in general and administrative expenses in the condensed consolidated statements of operations.

[4] For the three and nine months ended September 30, 2025, we incurred acquisition-related costs of $1.9 million and $4.4 million, respectively, in connection with our business combinations. These costs primarily consisted of legal, accounting, and other professional fees, and were recorded in general and administrative expenses in the condensed consolidated statements of operations.

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 presentation, including adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow conversion rate.

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 presentation to their most directly comparable GAAP financial measures have been provided in the financial statement tables included in this presentation, and investors are encouraged to review the reconciliations and not rely on any single financial measure to evaluate our business.

Key Definitions

Active Clients

We define an active client as a client that has had spend activity on any Upwork platform or other workforce solution during the 12 months preceding the date of measurement.

Adjusted EBITDA

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.

Connects

Virtual tokens that are required for talent to bid on projects and purchase ads products on the Upwork Marketplace.

Enterprise Revenue

We define Enterprise revenue as revenue from our Enterprise offerings, which primarily consist of Enterprise Solutions and Managed Services.

Free Cash Flow

We define free cash flow as cash provided by operations less purchases of property, plant and equipment and cash outflows from internally developed software.

Gross Services Volume (GSV)[1]

Gross services volume, or GSV, represents the total dollar value transacted through all Upwork platforms and other workforce solutions.

GSV per Active Client

GSV per active client is calculated by dividing total GSV during the four quarters ended on the date of measurement by the number of active clients on the date of measurement.

[1] GSV from freelancers with AI-skills for the three and twelve months ended September, 2026, reflects all GSV generated by freelancers whose profile lists at least one skill that overlaps with our internally maintained list of generative AI skills.

Key Definitions

Marketplace Revenue

Marketplace revenue represents the revenue derived from the Upwork Marketplace, including all offerings other than our Enterprise offerings.

Marketplace Take Rate

Marketplace take rate measures the correlation between Marketplace revenue and Marketplace GSV and is calculated by dividing Marketplace revenue by Marketplace GSV.

Take Rate

We define take rate as total revenue divided by total GSV.

About Upwork

About Upwork

Upwork Inc.'s (Nasdaq: UPWK) family of companies connects businesses with global, AI-enabled talent across every contingent worker classification. 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:
investor@upwork.com

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