

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

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

Date of Report (Date of earliest event reported): March 7, 2022

UPWORK INC.

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-38678
(Commission
File Number)

46-4337682
(IRS Employer
Identification No.)

**475 Brannan Street, Suite 430
San Francisco, California**
(Address of Principal Executive Offices)

94107
(Zip Code)

Registrant's Telephone Number, Including Area Code: (650) 316-7500

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, \$0.0001 par value per share	UPWK	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

Item 8.01 Other Events.

Upwork Inc. is continuing to actively monitor the ongoing Russian invasion of Ukraine and related impacts on Upwork's business. Our first priority is the safety and well-being of our team members and their families in the region. On March 7, 2022, Upwork announced the suspension of business operations in Russia and Belarus, taking full effect by May 1, 2022 and starting with shutting down support for new business generation in each country. Over the coming days, users in Russia and Belarus will no longer be able to sign up for new accounts, initiate contracts, or be visible in search on Upwork's work marketplace. Existing contracts with talent and clients in the region will remain open, with final billing due by May 1, 2022.

As of December 31, 2021, approximately 10% of our team members were located in Ukraine, Russia, and Belarus, including nearly one-third of our engineering team, with Ukraine representing approximately 16% of our engineering team and Russia and Belarus representing approximately 17% combined. We have undertaken extensive efforts to support our team members in the region, including financial and other forms of support and paying certain expenses for those team members seeking to relocate from the affected region. We have already incurred or committed several million dollars of unplanned expenses, including a donation of \$1 million to Direct Relief International to alleviate the humanitarian crisis in Ukraine, and expect to incur additional expenses as events unfold.

Our business outside of the region remains strong and continues to benefit from the global shift toward remote and independent work. Since the beginning of the invasion in late February 2022, we have noticed a meaningful decrease in activity from talent in the region, most notably in Ukraine. As a reference point, approximately 10% of our total revenue in 2021 was derived from work where either the talent or the client was located in the region, with Ukraine representing approximately 6% and Russia and Belarus representing approximately 4% combined. Nearly all such revenue was derived from work performed by talent inside the region for clients located in other parts of the world. Moreover, approximately 25% of client spend from our web, mobile, and software development category in 2021 was derived from work where either the talent or the client was located in the region, with Ukraine representing approximately 15% and Russia and Belarus representing approximately 10% combined.

Given the complex nature of our business and two-sided nature of our work marketplace, and with talent on our work marketplace located in over 180 countries, Upwork is monitoring the impact on client spend from clients that have historically engaged talent in the impacted region and the extent to which those clients engage talent in other regions. As noted above, since the Russian invasion of Ukraine in late February 2022, we have noticed a meaningful decrease in activity from talent in the region, and our expenses have also increased as a result of our efforts to support team members in the region, all of which will negatively impact our first-quarter and full-year financial results, including revenue and adjusted EBITDA. As a result of rapidly evolving, increased risks and uncertainties, as well as an untenable operational position and dire geopolitical situation associated with the ongoing Russian invasion of Ukraine, we are withdrawing our first-quarter and full-year 2022 financial guidance issued on February 10, 2022.

On March 7, 2022, Upwork issued a press release announcing that it is withdrawing its previously issued first-quarter and full-year 2022 financial guidance and providing certain updates to its business regarding the ongoing Russian invasion of Ukraine. The press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

Safe Harbor Statement

This Form 8-K includes forward-looking statements, which are statements other than statements of historical facts, and statements in the future tense. These statements include, but are not limited to, statements regarding the impact of the Russian invasion of Ukraine on our business, operating results and financial condition. Accordingly, actual results could differ materially or such uncertainties could cause adverse effects on our results. Forward-looking statements are based upon various estimates and assumptions, as well as information known to Upwork as of the date of this Form 8-K, and are subject to risks and uncertainties, including but not limited to: the impact of the Russian invasion of Ukraine on our business, operating results and financial condition and the other risks and uncertainties under the sections captioned "Risk Factors" and "Management's

Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K filed with the SEC on February 15, 2022 and our other SEC filings, which are available on the Investor Relations page of our website at investors.upwork.com and on the SEC website at www.sec.gov. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events. Undue reliance should not be placed on the forward-looking statements in this Form 8-K. These statements are based on information available to Upwork on the date hereof, and Upwork assumes no obligation to update such statements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated March 7, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Upwork Announces the Suspension of Business in Russia and Belarus and Withdraws First Quarter and Full-Year 2022 Guidance due to Uncertainties Related to Russian Invasion of Ukraine

SAN FRANCISCO – March 7, 2022 – Upwork Inc. (Nasdaq: UPWK), the world’s largest work marketplace that connects businesses with independent talent, as measured by gross services volume (“GSV”), today announced the suspension of all business operations in Russia and Belarus, taking full effect by May 1, 2022 and starting with shutting down support for new business generation in each country. Over the coming days, customers in Russia and Belarus will no longer be able to sign up for new accounts, initiate new contracts, or be visible in search. Existing contracts with talent and clients in the region will remain open, with final billing due by May 1, 2022. The Company is also withdrawing its previously issued first-quarter and full-year 2022 guidance due to rapidly evolving, increased risks and uncertainties, as well as an untenable operational position and dire geopolitical situation associated with the ongoing Russian war against Ukraine.

Approximately 10% of Upwork’s total revenue in 2021 was derived from work where either the talent or the client was located in the region, with Ukraine representing approximately 6% and Russia and Belarus representing approximately 4% combined. Nearly all such revenue was derived from work performed by talent inside the region for clients located in other parts of the world. Since the beginning of the invasion in late February 2022, Upwork has experienced a meaningful decrease in activity from talent in the region, most notably in Ukraine. Given the complex nature of Upwork’s business and two-sided nature of its work marketplace, and with talent on the work marketplace located in over 180 countries, Upwork is monitoring the impact on client spend from clients that have historically engaged talent in the impacted region and the extent to which those clients engage talent in other regions.

Upwork’s first priority is the safety and well-being of its team members and their families in the region, and the Company has undertaken extensive efforts to support them. Upwork has provided financial and other support, including paying certain expenses for team members seeking to relocate from the affected region. The Company has also already incurred or committed several million dollars of other unplanned expenses, including a donation of \$1 million to [Direct Relief International](#) to alleviate the humanitarian crisis in Ukraine, and expects to incur additional expenses as events unfold. These unforeseen expenses, along with the decrease in activity from talent in the region, will impact Upwork’s first-quarter and full-year 2022 financial results, including revenue and adjusted EBITDA.

Forward-Looking Statements

This press release includes estimates and statements which may constitute forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the accuracy of which are necessarily subject to risks, uncertainties, and assumptions as to future events that may not prove to be accurate. Our estimates and forward-looking statements are based on our current expectations and estimates of future events and trends, which affect or may affect our business and operations. These statements may include words such as “may,” “will,” “should,” “believe,” “expect,” “anticipate,” “intend,”

“plan,” “estimate” or similar expressions. Those future events and trends may relate to, among other things, the ongoing Russian invasion of Ukraine and the effect that it may have on our business, operating results, financial condition, and access to capital. Other factors that could cause actual results to differ materially from those expressed or implied include general economic conditions, the risk factors discussed in Upwork’s most recent Annual Report on Form 10-K, particularly under the headings “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Risk Factors” and other filings with the Securities and Exchange Commission. Although we believe that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are made in light of information currently available to us. Upwork undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

About Upwork

Upwork is the world’s work marketplace. We serve everyone from one-person startups to over 30% of the Fortune 100 with a powerful, trust-driven platform that enables companies and talent to work together in new ways that unlock their potential. Our global talent community earned over \$3.3 billion on Upwork in 2021 across more than 10,000 skills in categories including website & app development, creative & design, customer support, finance & accounting, consulting, and operations. Learn more at [upwork.com](https://www.upwork.com) and join us on [LinkedIn](https://www.linkedin.com/company/upwork), [Twitter](https://twitter.com/upwork), [Facebook](https://www.facebook.com/upwork), [Instagram](https://www.instagram.com/upwork), and [TikTok](https://www.tiktok.com/@upwork).

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