UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number: 001-38678



UPWORK INC.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**46-4337682**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
530 Lytton Avenue, Suite 301 **Palo Alto, California**	**94301**
(Address of principal executive offices)	**(Zip Code)**

(650) 316-7500

(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, $0.0001 par value per share	**UPWK**	**The Nasdaq Stock Market LLC**

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 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller 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 ☒

As of October 29, 2026, there were 125,777,139 shares of the registrant's common stock outstanding.

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Unless otherwise expressly stated or the context otherwise requires, references in this Quarterly Report on Form 10-Q, which we refer to as this Quarterly Report, to "Upwork," "Company," "our," "us," and "we" and similar references refer to Upwork Inc. and its wholly owned subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report 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 products, features, or functionality, anticipated events and trends, including future research and development, sales and marketing, and general and administrative expenses, and provision for transaction losses, potential growth or growth prospects, our competitive position, technological and market trends, industry environment, the economy, our plans with respect to share repurchases, and 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, including the restructuring announced in May 2026, which we refer to as the 2026 Restructuring, and other future conditions. Words such as “believes,” “may,” “will,” “estimates,” “potential,” “continues,” “anticipates,” “intends,” “expects,” “could,” “would,” “projects,” “plans,” “targets,” and variations of such words and similar expressions are intended to identify forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections as of the date of this filing 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. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, “Risk Factors” in this Quarterly Report. Readers are urged to carefully review and consider the various disclosures made in this Quarterly Report and in other documents we file from time to time with the Securities and Exchange Commission, which we refer to as the SEC, that disclose risks and uncertainties that may affect our business. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for us 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 future events and circumstances discussed in this Quarterly 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. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, performance, or achievements. In addition, the forward-looking statements in this Quarterly Report are made as of the date of this filing, and we do not undertake, and expressly disclaim any duty, to update such statements for any reason after the date of this Quarterly Report or to conform statements to actual results or revised expectations, except as required by law.

You should read this Quarterly Report and the documents that we reference herein and have filed with the SEC or incorporated by reference as exhibits to this Quarterly Report with the understanding that our actual future results, performance, and events and circumstances may be materially different from what we expect.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

UPWORK INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands, except share and per share data)	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 of allowance of $5,688 and $5,919 as of September 30, 2026 and December 31, 2025, respectively	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
Commitments and contingencies (Note 8)		
Stockholders' equity		
Common stock, $0.0001 par value; 490,000,000 shares authorized as of September 30, 2026 and December 31, 2025; 125,690,310 and 130,545,236 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively	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

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

UPWORK INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(Unaudited)

(In thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
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
Other comprehensive income, net of tax:				
Net unrealized holding (loss) gain on marketable securities, net	$ (206)	$ 143	$ (999)	$ 603
Total comprehensive income	$ 31,604	$ 29,478	$ 87,676	$ 100,394

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

UPWORK INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited)

(In thousands, except share amounts)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total Stockholders' Equity
Three Months Ended September 30, 2026	**Shares**	**Amount**				
Balances as of June 30, 2026	124,797,586	$ 12	$ 517,479	$ (39)	$ 93,814	$ 611,266
Issuance of common stock upon exercise of stock options	7,500	—	24	—	—	24
Stock-based compensation expense	—	—	10,858	—	—	10,858
Issuance of common stock for settlement of RSUs	885,224	1	—	—	—	1
Tides Foundation common stock warrant expense	—	—	188	—	—	188
Excise tax on repurchases of common stock	—	—	84	—	—	84
Unrealized loss on marketable securities	—	—	—	(206)	—	(206)
Net income	—	—	—		31,810	31,810
Balances as of September 30, 2026	125,690,310	$ 13	$ 528,633	$ (245)	$ 125,624	$ 654,025

(In thousands, except share amounts)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
Three Months Ended September 30, 2025	**Shares**	**Amount**				
Balances as of June 30, 2025	132,506,031	$ 13	$ 615,937	$ 724	$ (8,020)	$ 608,654
Issuance of common stock upon exercise of stock options and common stock warrants	44,903	—	75	—	—	75
Stock-based compensation expense	—	—	20,880	—	—	20,880
Issuance of common stock for settlement of RSUs	945,053	—	—	—	—	—
Tides Foundation common stock warrant expense	—	—	188	—	—	188
Repurchase of common stock, including excise tax	(2,101,993)	—	(31,149)	—	—	(31,149)
Unrealized gain on marketable securities	—	—	—	143	—	143
Net income	—	—	—	—	29,335	29,335
Balances as of September 30, 2025	131,393,994	$ 13	$ 605,931	$ 867	$ 21,315	$ 628,126

(In thousands, except share amounts)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Total Stockholders' Equity
Nine Months Ended September 30, 2026	**Shares**	**Amount**				
Balances as of December 31, 2025	130,545,236	$ 13	$ 592,599	$ 754	$ 36,949	$ 630,315
Issuance of common stock upon exercise of stock options	231,625	—	793	—	—	793
Stock-based compensation expense	—	—	43,510	—	—	43,510
Issuance of common stock for settlement of RSUs	2,959,913	1	—	—	—	1
Tides Foundation common stock warrant expense	—	—	563	—	—	563
Issuance of common stock in connection with employee stock purchase plan	239,586	—	1,646	—	—	1,646
Repurchase of common stock, including excise tax	(8,286,050)	(1)	(110,478)	—	—	(110,479)
Unrealized loss on marketable securities	—	—	—	(999)	—	(999)
Net income	—	—	—	—	88,675	88,675
Balances as of September 30, 2026	125,690,310	$ 13	$ 528,633	$ (245)	$ 125,624	$ 654,025

(In thousands, except share amounts)	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity
Nine Months Ended September 30, 2025	**Shares**	**Amount**				
Balances as of December 31, 2024	135,348,453	$ 14	$ 653,575	$ 264	$ (78,476)	$ 575,377
Issuance of common stock upon exercise of stock options and common stock warrants	208,398	—	729	—	—	729
Stock-based compensation expense	—	—	51,290	—	—	51,290
Issuance of common stock for settlement of RSUs	2,903,878	—	—	—	—	—
Tides Foundation common stock warrant expense	—	—	563	—	—	563
Issuance of common stock in connection with employee stock purchase plan	279,537	—	2,199	—	—	2,199
Repurchase of common stock, including excise tax	(7,346,272)	(1)	(102,425)	—	—	(102,426)
Unrealized gain on marketable securities	—	—	—	603	—	603
Net income	—	—	—	—	99,791	99,791
Balances as of September 30, 2025	131,393,994	$ 13	$ 605,931	$ 867	$ 21,315	$ 628,126

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

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

(In thousands)	Nine Months Ended September 30, 2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 88,675	$ 99,791
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for transaction losses	4,993	5,707
Depreciation and amortization	29,232	18,686
Amortization of debt issuance costs	1,330	1,381
Accretion of discount on purchases of marketable securities, net	(3,017)	(5,699)
Amortization of operating lease asset	1,280	564
Tides Foundation common stock warrant expense	563	563
Stock-based compensation expense	38,717	48,038
Deferred taxes	3,190	(399)
Loss on disposal of fixed assets	178	—
Changes in operating assets and liabilities:		
Trade and client receivables	(2,741)	(1,654)
Prepaid expenses and other assets	192	40
Operating lease liability	(1,253)	600
Accounts payable	1,466	(504)
Accrued expenses and other liabilities	(27,820)	16,777
Deferred revenue	855	667
Net cash provided by operating activities	135,840	184,558
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities	—	(365,939)
Proceeds from maturities of marketable securities	302,111	302,725
Proceeds from sale of marketable securities	1,986	3,601
Purchase of equity investment	(250)	—
Acquisition of business, net of cash acquired	—	(59,846)
Purchases of property and equipment	(7,493)	(5,335)
Internal-use software and platform development costs	(25,650)	(13,376)
Net cash provided by (used in) investing activities	270,704	(138,170)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in escrow funds payable, net	(19,553)	23,025
Proceeds from exercises of stock options and common stock warrants	793	729
Proceeds from employee stock purchase plan	1,646	2,199
Repayment of convertible senior notes	(360,998)	—
Repurchase of common stock	(109,725)	(101,923)
Payment of debt issuance costs	(1,223)	—
Net cash used in financing activities	(489,060)	(75,970)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(82,516)	(29,582)
Cash, cash equivalents, and restricted cash—beginning of period	478,908	505,593
Cash, cash equivalents, and restricted cash—end of period	$ 396,392	$ 476,011
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for income taxes	$ 18,158	$ 10,368
Cash paid for interest	1,030	899
SUPPLEMENTAL DISCLOSURES OF NON-CASH ACTIVITIES:		
Right-of-use asset recognized	$ 8,042	$ —
Property and equipment purchased but not yet paid	346	54
Internal-use software and platform development costs incurred but not yet paid	723	479

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

Note 1—Organization and Description of Business

Upwork Inc., which is referred to as the Company or Upwork, through its complementary, wholly owned subsidiaries, connects businesses with global, AI-enabled talent across every on-demand work type, including freelance, agency, fractional, and payrolled. The Company's portfolio of platforms and other workforce solutions includes the Upwork Marketplace, the world's human and AI-powered work marketplace that connects businesses with on-demand access to highly skilled independent talent worldwide, and Lifted, the Company's wholly owned subsidiary that provides a purpose-built solution for enterprise organizations to source, contract, manage, and pay talent across the full spectrum of contingent work.

The Company's customers consist of both talent and clients, where talent includes independent professionals and agencies of varying sizes that deliver services through the Upwork Marketplace, Lifted, or other Company workforce solutions. Clients range from small businesses and entrepreneurs to large enterprises that seek and engage with talent through these platforms and other workforce solutions.

Upwork Inc. is incorporated in the state of Delaware and is headquartered in Palo Alto, California.

Unless otherwise expressly stated or the context otherwise requires, the terms "Upwork" and the "Company" in these notes to the condensed consolidated financial statements refer to Upwork Inc. and its wholly owned subsidiaries.

Note 2—Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, which is referred to as U.S. GAAP, and applicable rules and regulations of the SEC regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the information included in this Quarterly Report should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2025, which is referred to as the Annual Report, filed with the SEC on February 13, 2026.

The condensed consolidated balance sheet as of December 31, 2025, included herein, was derived from the audited financial statements as of that date but does not include all disclosures, including notes, required by U.S. GAAP.

The condensed consolidated financial statements include the accounts of Upwork and its wholly owned subsidiaries. All intercompany balances and transactions have been eliminated.

The accompanying condensed consolidated financial statements reflect all normal recurring adjustments necessary for a fair statement of the financial position, results of operations, changes in stockholders' equity and cash flows for the interim periods, but do not purport to be indicative of the results of operations or financial condition to be anticipated for the full year ending December 31, 2026. Prior period presentation has been revised to conform to the current period presentation as of September 30, 2026.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make certain estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the periods presented. Such estimates include, but are not limited to: valuation of acquired intangible assets; the useful lives of assets; assessment of the recoverability of long-lived assets; goodwill impairment; allowance for expected credit

losses; liabilities relating to transaction losses; stock-based compensation; and accounting for income taxes. Management bases its estimates on historical experience and on various other assumptions that management believes to be reasonable under the circumstances. The Company evaluates its estimates, assumptions, and judgments on an ongoing basis using historical experience and other factors and revises them when facts and circumstances dictate.

The Company is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities. These estimates may change as new events occur and additional information is obtained. Actual results could differ materially from these estimates under different assumptions or conditions.

Summary of Significant Accounting Policies

The significant accounting policies applied in the Company's audited consolidated financial statements, as disclosed in the Annual Report, are applied consistently in these unaudited interim condensed consolidated financial statements.

Recently Adopted Accounting Pronouncements

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets,* which is referred to as ASU 2025-05. ASU 2025-05 provides an optional practical expedient to permit entities to assume that the current conditions as of the balance sheet date will remain unchanged for the remaining life of short-term trade receivables and contract assets when developing reasonable and supportable forecasts for estimating expected credit losses. ASU 2025-05 is effective for fiscal years beginning after December 15, 2025. The Company adopted ASU 2025-05. The Company has evaluated the impact of ASU 2025-05 and as a result its adoption did not have a material impact on the consolidated financial statements. The Company's trade receivables are short-duration in nature and have historically experienced low credit losses, and its existing aging-based allowance methodology is substantially consistent with the practical expedient introduced by ASU 2025-05.

Recent Accounting Pronouncements Not Yet Adopted

With the exception of those discussed below, the Company has reviewed the accounting pronouncements issued prior to or during the nine months ended September 30, 2026, and concluded they were either not applicable or not expected to have a material impact on the Company's condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses*, which is referred to as ASU 2024-03. ASU 2024-03 requires public entities to disclose detailed information about specific types of expenses included within the expense captions presented on the face of the income statement. While ASU 2024-03 does not alter the presentation of expense captions on the face of the income statement, it introduces requirements for disaggregating certain expense captions into specified categories within the footnotes to the financial statements. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact that ASU 2024-03 will have on its consolidated financial statements and accompanying footnotes.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, which is referred to as ASU 2025-06. ASU 2025-06 modernizes the accounting for internal-use software by removing all references to prescriptive and sequential software development stages. ASU 2025-06 requires entities to begin capitalizing software costs when management authorizes and commits to funding the software project, and it is probable that the project will be completed and the software will be used for its intended purpose. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and for interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the timing of adoption and the potential impact of this new guidance on its consolidated financial statements.

Note 3—Revenue

Disaggregation of Revenue

Based on the information provided to and reviewed by the Chief Operating Decision Maker, who is referred to as the CODM, the nature, amount, timing, and uncertainty of revenue and cash flows and how they are affected by economic factors are most appropriately depicted by the type of service and primary geographical markets. Revenues recorded within these categories are earned from similar products and services for which the nature of associated fees and the related revenue recognition models are substantially similar.

The Company disaggregates revenue by two types of services: Marketplace revenue and Enterprise revenue.

The following table sets forth total revenue by type of service for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2026**	**2025**	**2026**	**2025**
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

The following table sets forth total revenue by geographic area based on the billing address of talent and clients for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2026**	**2025**	**2026**	**2025**
Talent				
United States	$ 29,391	$ 29,075	$ 88,467	$ 84,659
Philippines	14,540	14,550	43,677	43,703
India	10,970	13,633	35,687	40,900
Pakistan	12,342	12,048	38,270	33,643
Rest of world [1]	40,444	43,816	125,593	128,284
Total talent	107,687	113,122	331,694	331,189
Clients				
United States [2]	56,958	63,404	172,816	184,360
Rest of world [1] [2]	20,954	25,204	68,232	73,826
Total clients	77,912	88,608	241,048	258,186
Total revenue	$ 185,599	$ 201,730	$ 572,742	$ 589,375

[1] During each of the three and nine months ended September 30, 2026 and 2025, no single country included in the Rest of world category had revenue that exceeded 10% of total talent revenue, total clients revenue, or total revenue.

[2] For the three and nine months ended September 30, 2025, the Company revised the presentation for Clients between United States and Rest of world to reflect additional information obtained regarding the geographic attribution of revenue from Ascen Inc., which is referred to as Ascen, and was acquired in August 2025. This revision did not affect Total clients revenue, total revenue, or the Company's condensed consolidated financial statements for any period presented.

Deferred Revenue and Remaining Performance Obligation

Deferred revenue represents amounts billed in advance for services not yet rendered.

Deferred revenue expected to be recognized within the next twelve months is classified as current deferred revenue.

The Company has applied the practical expedients and exemptions and does not disclose the value of remaining performance obligations for (i) contracts with an original expected length of one year or less; and (ii) contracts for which the variable consideration is allocated entirely to a wholly unsatisfied promise to transfer a distinct service that forms part of a single performance obligation under the series guidance.

Contract Balances

The following table provides information about the balances of the Company's Trade and client receivables, net of allowance and contract liabilities included in deferred revenue and other liabilities, noncurrent as of the dates presented:

(In thousands)	September 30, 2026	December 31, 2025
Trade and client receivables, net of allowance	$ 79,315	$ 76,236
Contract liabilities		
Deferred revenue, current	8,620	7,765

During the nine months ended September 30, 2026, changes in the contract liabilities balances were primarily the result of normal business activity.

Revenue recognized during the three months ended September 30, 2026 that was included in the deferred revenue balance as of June 30, 2026 was $8.6 million. Revenue recognized during the nine months ended September 30, 2026 that was included in the deferred revenue balance as of December 31, 2025 was $7.8 million.

Revenue recognized during the three months ended September 30, 2025 that was included in the deferred revenue balance as of June 30, 2025 was $7.8 million. Revenue recognized during the nine months ended September 30, 2025 that was included in the deferred revenue balance as of December 31, 2024 was $7.3 million.

Note 4—Fair Value Measurements

The Company defines fair value as the exchange price that would be received from the sale of an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The authoritative guidance describes three levels of inputs that may be used to measure fair value:

- Level I—Observable inputs that reflect unadjusted quoted prices for identical assets or liabilities in active markets;
- Level II—Observable inputs other than Level I prices, such as unadjusted quoted prices for similar assets or liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level III—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. These inputs are based on the Company's own assumptions used to measure assets and liabilities at fair value and require significant management judgment or estimation.

The categorization of a financial instrument within the fair value hierarchy is based upon the lowest level of input that is significant to its fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the assets or liabilities.

The Company's financial instruments that are carried at fair value consist of Level I and Level II assets as of September 30, 2026 and December 31, 2025. The following tables summarize the Company's available-for-sale marketable securities' amortized cost, gross unrealized gains, gross unrealized losses, and fair value by significant investment category reported as cash equivalents or marketable securities as of September 30, 2026 and December 31, 2025:

(In thousands) **September 30, 2026**	**Amortized Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Value**	**Cash Equivalents**	**Marketable Securities**
Level I						
Money market funds	$ 86,531	$ —	$ —	$ 86,531	$ 86,531	$ —
U.S. government securities	19,345	2	(79)	19,268	—	19,268
Total Level I	105,876	2	(79)	105,799	86,531	19,268
Level II						
Corporate bonds	56,215	28	(166)	56,077	—	56,077
Foreign government and agency securities	999	2	—	1,001	—	1,001
Total Level II	57,214	30	(166)	57,078	—	57,078
Total	$ 163,090	$ 32	$ (245)	$ 162,877	$ 86,531	$ 76,346

(In thousands) **December 31, 2025**	**Amortized Cost**	**Unrealized Gain**	**Unrealized Loss**	**Fair Value**	**Cash Equivalents**	**Marketable Securities**
Level I						
Money market funds	$ 73,519	$ —	$ —	$ 73,519	$ 73,519	$ —
Treasury bills	257,425	88	—	257,513	39,697	217,816
U.S. government securities	37,642	122	—	37,764	—	37,764
Total Level I	368,586	210	—	368,796	113,216	255,580
Level II						
Corporate bonds	117,532	561	(1)	118,092	—	118,092
Foreign government and agency securities	4,738	15	—	4,753	—	4,753
Total Level II	122,270	576	(1)	122,845	—	122,845
Total	$ 490,856	$ 786	$ (1)	$ 491,641	$ 113,216	$ 378,425

Additionally, the Company deposits funds held in escrow in interest-bearing and non-interest-bearing cash accounts. The interest earned on the interest-bearing accounts is included in Revenue in the Company's condensed consolidated statements of operations and comprehensive income. As of September 30, 2026 and December 31, 2025, the fair value of the Company's funds held on behalf of customers and held in interest-bearing cash accounts was measured using Level I inputs.

The Company's non-financial assets acquired pursuant to its acquisitions of Bubty B.V., which is referred to as Bubty, and Ascen, including intangible assets and goodwill, are measured at estimated fair value on a non-recurring basis. For additional information, refer to "Note 7— Business Combination."

The following table summarizes the remaining contractual maturities of our cash equivalents and marketable securities as of September 30, 2026:

(In thousands)	Amortized Cost	Fair Value
Due within one year	$ 150,962	$ 150,893
Due after one year through five years	12,128	11,984
Total	$ 163,090	$ 162,877

Unrealized Investment Losses

For available-for-sale marketable debt securities with unrealized loss positions, the Company does not intend to sell these securities, nor does it anticipate that it will need to or be required to sell the securities before recovery of their amortized cost basis. As of September 30, 2026 and December 31, 2025, the decline in fair value of these securities was attributable to changes in interest rates and not due to credit-related factors. Accordingly, no allowance for credit losses has been recorded as of September 30, 2026 and December 31, 2025. and the Company did not record any credit loss expense or write-down related to its available-for-sale debt securities during each of the three and nine months ended September 30, 2026 and 2025.

During the three months ended September 30, 2026 and 2025, interest income, net was $4.6 million and $6.8 million, respectively. During the nine months ended September 30, 2026 and 2025, interest income, net was $15.5 million and $20.6 million, respectively. Interest income, net is included in Other income, net in the Company's condensed consolidated statements of operations and comprehensive income.

Note 5—Balance Sheet Components

Cash and Cash Equivalents, Restricted Cash, and Funds Held In Escrow, Including Funds In Transit

The following table reconciles cash and cash equivalents, restricted cash, and funds held in escrow that are restricted as reported in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025 to the total of the same amounts shown in the condensed consolidated statement of cash flows for the nine months ended September 30, 2026:

(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

Property and Equipment, Net

Property and equipment, net consisted of the following as of the dates presented:

(In thousands)	September 30, 2026	December 31, 2025
Internal-use software and platform development	$ 111,744	$ 83,461
Leasehold improvements	13,979	7,755
Computer equipment and software	8,136	7,630
Office furniture and fixtures	1,523	1,076
Total property and equipment	135,382	99,922
Less: accumulated depreciation	(73,757)	(55,501)
Property and equipment, net	$ 61,625	$ 44,421

For the three months ended September 30, 2026 and 2025, depreciation expense related to property and equipment, excluding internal-use software and platform development, was $1.1 million and $0.7 million, respectively. For the nine months ended September 30, 2026 and 2025, depreciation expense related to property and equipment, excluding internal-use software and platform development, was $2.6 million and $1.5 million, respectively.

For the three months ended September 30, 2026 and 2025, the Company capitalized $9.6 million and $6.3 million of internal-use software and platform development costs, respectively. For the nine months ended September 30, 2026 and 2025, the Company capitalized $30.1 million and $16.7 million of internal-use software and platform development costs, respectively.

For the three months ended September 30, 2026 and 2025, amortization expense related to the capitalized internal-use software and platform development costs was $7.3 million and $3.8 million, respectively. For the nine months ended September 30, 2026 and 2025, amortization expense related to the capitalized internal-use software and platform development costs was $17.9 million and $10.2 million, respectively. Amortization expense for the three and nine months ended September 30, 2026 reflects amortization of certain capitalized internal-use software and platform development projects placed in service on December 31, 2025.

Intangible Assets, Net

The carrying value of intangible assets was as follows as of the dates presented:

	September 30, 2026			December 31, 2025		
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Developed technology	$ 34,600	$ 12,493	$ 22,107	$ 34,600	$ 6,203	$ 28,397
Assembled workforce	3,188	3,188	—	3,188	3,188	—
Customer relationships	11,000	4,719	6,281	11,000	2,236	8,764
Total	$ 48,788	$ 20,400	$ 28,388	$ 48,788	$ 11,627	$ 37,161

Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following as of the dates presented:

(In thousands)	September 30, 2026	December 31, 2025
Accrued compensation and related benefits	$ 25,847	$ 51,858
Accrued taxes	15,538	19,715
Accrued vendor expenses	14,781	12,899
Accrued payment processing fees	5,843	4,708
Accrued talent costs	2,318	1,678
Operating lease liability, current	4,505	1,672
Other	893	1,493
Total accrued expenses and other current liabilities	$ 69,725	$ 94,023

Stockholders' Equity

For all performance stock unit awards, which are referred to as PSU awards, granted under the Company's 2018 Equity Incentive Plan, which is referred to as the 2018 EIP, the number of PSU awards that become earned and eligible to vest is based on the Company's achievement of performance conditions established at the time of grant by the compensation committee of the Company's board of directors, which is referred to as the compensation committee, relating to one or more performance periods, which is referred to as the PSU Performance Condition. Following the completion of the applicable performance period, the compensation committee certifies the Company's achievement of the applicable PSU Performance Condition, and the dates on which such certifications occur are referred to as Certification Dates. In order for any PSU awards to be earned and vest, recipients must remain in continuous service with the Company through the applicable Certification Date, which is referred to as the PSU Service Condition.

The Company classifies all PSU awards as equity awards. Stock-based compensation expense related to PSU awards is recognized as a component of operating expenses in the Company's condensed consolidated statements of operations and comprehensive income and is recognized over the longer of the expected achievement period of the applicable PSU Performance Condition or the applicable PSU Service Condition. The grant-date fair value of PSU awards is determined using valuation techniques appropriate for the specific award terms, including valuation models that incorporate the impact of market-based conditions, as applicable. At each reporting date prior to the applicable Certification Date, the Company reassesses the number of PSU awards that are probable of vesting, and any changes are reflected in stock-based compensation expense in the period of change.

2026 PSU Awards

In February 2026, the compensation committee approved the grant of PSU awards to certain members of the Company's leadership team under the 2018 EIP, which awards are referred to as the 2026 PSU Awards. These awards were granted on February 18, 2026.

Up to fifty percent of the maximum number of shares subject to the 2026 PSU Awards are eligible to vest based on the Company's achievement of certain financial performance targets over a two-year performance period consisting of the Company's fiscal years ending December 31, 2026 and 2027, and up to the remaining fifty percent of the maximum number of shares subject to the 2026 PSU Awards are eligible to vest based on the Company's achievement of certain financial performance targets over a three-year performance period consisting of the Company's fiscal years ending December 31, 2026, 2027, and 2028. The performance targets consist of a weighted average achievement percentage, reflecting equal weighting of adjusted EBITDA and revenue achievement for each fiscal year within the applicable performance period, subject to adjustment by a relative total shareholder return compound annual growth rate multiplier, all as established by the compensation committee at the time of grant.

Stock-based compensation expense related to the 2026 PSU Awards is recognized over the longer of the expected achievement period for the PSU Performance Condition and the PSU Service Condition, which is approximately 24 months and 36 months for the portions of the awards eligible to vest based on performance for the performance periods ending December 31, 2027 and December 31, 2028,

respectively.

Share Repurchase Program

In September 2025, the Company's board of directors authorized a share repurchase program for the repurchase of up to $100.0 million of shares of the Company's outstanding common stock, which is referred to as the 2025 Share Repurchase Authorization. Under the 2025 Share Repurchase Authorization, the Company repurchased and subsequently retired 2.1 million shares of its common stock for an aggregate amount of $36.0 million, at an average price of $17.33 per share, from September 2025 through December 2025, and an additional 4.6 million shares for an aggregate amount of $64.0 million, at an average price of $14.00 per share, from January 2026 through March 2026. As of September 30, 2026, the Company had no remaining balance available for repurchases under the 2025 Share Repurchase Authorization.

In February 2026, the Company's board of directors authorized a share repurchase program for the repurchase of up to $300.0 million of shares of the Company's outstanding common stock, which is referred to as the 2026 Share Repurchase Authorization, and together the 2026 Share Repurchase Authorization and the 2025 Share Repurchase Authorization are referred to as the Share Repurchase Authorizations. Under the 2026 Share Repurchase Authorization, the Company repurchased and subsequently retired 3.7 million shares of its common stock for an aggregate amount of $45.7 million, at an average price of $12.31 per share, since the authorization in February 2026. As of September 30, 2026, the Company had $254.3 million available for repurchase under the 2026 Share Repurchase Authorization.

Collectively, during the nine months ended September 30, 2026, the Company repurchased and subsequently retired 8.3 million shares of its common stock for an aggregate amount of $109.7 million including fees associated with the repurchases and excluding excise tax, under the Share Repurchase Authorizations, at an average price of $13.24 per share. The Company did not repurchase any shares during the three months ended September 30, 2026.

Repurchases of the Company's common stock under the 2026 Share Repurchase Authorization may be made from time to time on the open market (including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended), in privately negotiated transactions, or by other methods, at the Company's discretion, and in accordance with applicable securities laws and other restrictions. The 2026 Share Repurchase Authorization has no expiration date and will continue until otherwise suspended, terminated, or modified at any time for any reason. The 2026 Share Repurchase Authorization does not obligate the Company to repurchase any dollar amount or number of shares, and the timing and amount of any repurchases will depend on market and business conditions.

Note 6—Leases

Lisbon Office Lease

In January 2026, the Company commenced a new operating lease for approximately 16,189 square feet of office space and 27 parking spaces in Lisbon, Portugal, pursuant to a lease agreement entered into in December 2025. Although structured as a services agreement under local law, the Company evaluated the arrangement under U.S. GAAP and concluded that it contains a lease under ASC 842. The initial lease term is 72 months from the commencement date, scheduled to expire in December 2031, unless terminated earlier. The Company evaluated the three-year renewal options and determined they are not reasonably certain to be exercised; accordingly, they have not been included in the measurement of the right-of-use asset or lease liability. As a result of entering into this lease, the Company recognized a right-of-use asset and lease liability of approximately $3.6 million and $3.5 million, respectively. Monthly rent payments under the lease are approximately €0.1 million and are recorded within general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income. The lease is denominated in Euros, and the lease liability is remeasured at each reporting date using the current spot exchange rate, with foreign currency gains and losses recognized in earnings.

Palo Alto Office Lease — Expansion Space

In February 2026, the Company commenced two new operating leases for expansion space at its corporate headquarters in Palo Alto, California, pursuant to an amendment to its existing office lease executed in January 2026. The amendment added Suite 125 (approximately 7,540 square feet) and Suite 302 (approximately 1,390 square feet), bringing total leased space at the location to approximately 21,615 square feet across three suites. The term for both suites runs through the existing lease expiration of September 2032. The Company concluded that the expansion represents two separate leases rather than a modification of the existing lease, and both suites are classified as operating leases. The Company evaluated the two existing renewal options, each for an additional three years, and determined they are not reasonably certain to be exercised; accordingly, they have not been included in the measurement of the right-of-use assets or lease liabilities. As a result of entering into these leases, the Company recognized right-of-use assets and lease liabilities of approximately $3.7 million for Suite 125 and approximately $0.7 million for Suite 302. Monthly rent payments, in aggregate under the leases, are approximately $0.1 million and are recorded within general and administrative expenses in the Company's condensed consolidated statements of operations and comprehensive income.

Note 7—Business Combination

2025 Acquisitions

Bubty B.V.

On June 27, 2025, Lifted acquired 100% of the equity interests of Bubty, a Netherlands-based platform supporting enterprise management of contingent workforce solutions, for total purchase price consideration of $20.4 million. This acquisition advances the Company's strategic objectives by equipping Lifted with enhanced workforce management capabilities and a platform for clients managing global talent.

The acquisition of Bubty was accounted for as a business combination in accordance with ASC Topic 805, Business Combinations. Accordingly, the allocation of the purchase price is as follows (in thousands):

Cash and cash equivalents	$	77
Trade and client receivables		71
Intangible assets		18,600
Total assets	$	18,748
Accounts payable, accrued expenses and other liabilities	$	930
Deferred tax liability		3,614
Total liabilities	$	4,544
Net assets	$	14,204
Goodwill		6,206
Total purchase price consideration	$	20,410

The excess of the purchase consideration over the fair value of net assets acquired has been recorded as goodwill. The goodwill is primarily attributable to the expected synergies from integrating Bubty's workforce management technology and operations with Lifted, and the value of the assembled workforce, which do not qualify for separate recognition as identifiable intangible assets. The goodwill is not deductible for income tax purposes.

The Company engaged an independent third-party valuation specialist to assist in the determination of the fair value of intangible assets acquired. All key estimates, assumptions, and forecasts were either provided by or reviewed by management. While the third-party specialist provided significant input into the valuation, the final conclusions reflect the judgment of management. The fair value measurements of the intangible assets were based primarily on significant unobservable inputs, and this represents a Level 3 measurement.

As of the acquisition date, the fair value and expected useful lives of the identifiable intangible assets acquired were as follows (dollars in thousands):

	Fair Value	Expected Useful Life
Developed technology	$ 18,600	5 years

Ascen Inc.

On August 18, 2025, Lifted acquired 100% of the equity interests of Ascen, a tech-enabled employer of record company specifically designed for the contingent labor space, for total purchase price consideration of $40.8 million. This acquisition supports the Company's strategic objective to enhance its enterprise offerings by enabling clients of Lifted to engage workers classified as employees for U.S. tax purposes.

The acquisition of Ascen was accounted for as a business combination in accordance with ASC Topic 805, Business Combinations. Accordingly, the allocation of the purchase price is as follows (in thousands):

Cash and cash equivalents	$ 2,688
Trade and client receivables	12,420
Intangible assets	15,000
Other current assets	2,116
Total assets	$ 32,224
Accounts payable, accrued expenses and other liabilities	$ 9,080
Deferred tax liability	4,306
Total liabilities	$ 13,386
Net assets	$ 18,838
Goodwill	21,922
Total purchase price consideration	$ 40,760

The excess of the purchase consideration over the fair value of net assets acquired has been recorded as goodwill. The goodwill is primarily attributable to the expected synergies from Lifted's ownership of Ascen and the Company's expansion into employer of record and staffing solutions, which do not qualify for separate recognition as identifiable intangible assets. The goodwill is not deductible for income tax purposes.

The Company engaged an independent third-party valuation specialist to assist in the determination of the fair value of intangible assets acquired. All key estimates, assumptions, and forecasts were either provided by or reviewed by management. While the third-party specialist provided significant input into the valuation, the final conclusions reflect the judgment of management. The fair value measurements of the intangible assets were based primarily on significant unobservable inputs, and this represents a Level 3 measurement.

As of the acquisition date, the fair value and expected useful lives of the identifiable intangible assets acquired were as follows (dollars in thousands):

		Fair Value	Expected Useful Life
Customer relationship	$	10,000	3 years
Developed technology	$	5,000	5 years
Total intangibles	$	15,000	

During the three months ended December 31, 2025, the Company decreased goodwill by $1.3 million related to the Ascen acquisition based on new information obtained about facts and circumstances that existed as of the acquisition date, resulting in a reduction to the purchase price allocation. The Company finalized the purchase price allocations for the acquisitions of Bubty and Ascen in accordance with ASC 805, and no further measurement period adjustments are expected.

The Company incurred approximately $4.4 million of transaction-related expenses in connection with these acquisitions for the nine months ended September 30, 2025, all of which were recorded in general and administrative expenses in the consolidated statements of operations and comprehensive income. No additional transaction-related expenses were incurred during the three months ended December 31, 2025.

The Company has not presented unaudited supplemental pro forma financial information for the business acquisitions described above, as management determined that such information was not material to the Company's consolidated results of operations for the periods presented, assuming the acquisitions had occurred as of the beginning of the comparable prior reporting period.

As of September 30, 2026, the remaining aggregate founders' holdback related to acquisition-related compensation was $12.9 million. The founders' holdback amounts are to be paid over a three-year period from the date of the respective deal close, subject to the relevant founder's continued employment or service, as applicable. This represents compensation for post-combination services because the payments are subject to the relevant founder's continuous employment or service, as applicable, to the relevant vesting dates. The Company expects to recognize related compensation expense over the service period as amounts are earned.

Note 8—Commitments and Contingencies

Letters of Credit

In conjunction with the Company's operating lease agreements, as of September 30, 2026 and December 31, 2025, the Company had irrevocable letters of credit outstanding in the aggregate amount of $0.3 million. The letters of credit are collateralized by restricted cash in the same amount. No amounts had been drawn against these letters of credit as of September 30, 2026 and December 31, 2025.

Contingencies

The Company accrues contingent liabilities when it is probable that future expenditures will be made and such expenditures can be reasonably estimated. Potential contingencies may include various claims and litigation or non-income tax matters that arise from time to time in the normal course of business. Due to uncertainties inherent in such contingencies, the Company can give no assurance that it will prevail in any such matters, which could subject the Company to significant liability or damages. Any claims, litigation, or other contingencies could have an adverse effect on the Company's business, financial position, results of operations, or cash flows in or following the period that claims, litigation, or other contingencies are resolved.

As of September 30, 2026 and December 31, 2025, the Company was not a party to any material legal proceedings or claims, nor is the Company aware of any pending or threatened litigation or claims, including non-income tax matters, that could reasonably be expected to have a material adverse effect on

its business, operating results, cash flows, or financial condition. Accordingly, the amounts accrued for contingencies for which the Company believes a loss is probable were not material as of September 30, 2026 and December 31, 2025.

Indemnification

The Company has indemnification agreements with its officers, directors, and certain key employees to indemnify them while they are serving in good faith in their respective positions. In the ordinary course of business, the Company and its operating subsidiaries enter into contractual arrangements under which they agree to provide indemnification of varying scope and terms to clients, business partners, vendors, and other parties, including, but not limited to, losses arising out of the Company's or its operating subsidiaries' breach of such agreements, claims related to potential data or information security breaches, intellectual property infringement claims made by third parties, and other liabilities relating to or arising from their products and services or their acts or omissions. In addition, subject to the terms of the applicable agreement, as part of the Enterprise Solutions and certain other premium offerings, the Company and its operating subsidiaries indemnify clients that subscribe to worker classification services for losses arising from worker misclassification. It is not possible to determine the maximum potential loss under these indemnification provisions due to the Company's limited history of prior indemnification claims and the facts and circumstances involved in each particular provision.

Note 9—Debt

The following table presents the carrying value of the Company's debt obligations as of September 30, 2026 and December 31, 2025:

(In thousands)	September 30, 2026	December 31, 2025
Convertible senior notes	$ —	$ 360,998
Total debt	—	360,998
Less: Unamortized debt issuance costs	—	(1,228)
Balance	$ —	$ 359,770
Debt, current	—	359,770
Weighted-average interest rate	— %	0.76 %

Convertible Senior Notes Due 2026

In August 2021, the Company issued 0.25% convertible senior notes due 2026, which are referred to as the Notes. The Notes were issued pursuant to and are subject to the terms and conditions of an indenture between the Company and Computershare Trust Company, National Association (as successor in interest to Wells Fargo Bank, National Association), as trustee. The Notes were offered and sold in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended.

The Notes were senior, unsecured obligations of the Company and bore interest at a rate of 0.25% per year, which was payable semiannually in arrears on February 15 and August 15 of each year. The Notes matured on August 15, 2026. No holders converted any portion of the Notes into shares of common stock prior to maturity. Upon maturity, the Company repaid the $361.0 million aggregate outstanding principal amount of the Notes in full using cash on hand. As of September 30, 2026, no principal amount of the Notes remained outstanding. As of December 31, 2025, $361.0 million aggregate principal amount of the Notes was outstanding.

For the three months ended September 30, 2026 and 2025, interest expense related to the Notes was $0.1 million and $0.2 million, respectively, and amortization of the debt issuance costs related to the Notes was $0.3 million and $0.5 million, respectively. For the nine months ended September 30, 2026 and 2025, interest expense related to the Notes was $0.6 million and $0.7 million, respectively, and amortization of the debt issuance costs related to the Notes was $1.2 million and $1.4 million, respectively.

As of December 31, 2025, the if-converted value of the Notes did not exceed the outstanding principal amount.

Capped Calls

In connection with the issuance of the Notes, the Company entered into privately negotiated capped call transactions, which are referred to as the Capped Calls, with various financial institutions. The Capped Calls expired in accordance with their terms in components from July 10, 2026 through August 13, 2026, in connection with the maturity of the Notes.

The Capped Calls were separate transactions and were not part of the terms of the Notes. The Capped Calls met the criteria for classification as equity and, as such, were not remeasured each reporting period and were included as a reduction to additional paid-in capital within stockholders' equity.

Revolving Credit Facility

On June 23, 2026, the Company entered into a credit agreement, which is referred to as the Credit Agreement, with Bank of America, N.A. as administrative agent, and BofA Securities, Inc. and Wells Fargo Securities, LLC as joint lead arrangers and joint bookrunners, providing for a secured revolving loan facility of up to $150.0 million, referred to as the Revolving Credit Facility, including a $10.0 million sublimit for standby letters of credit and a $10.0 million swingline sublimit. The Credit Agreement includes an accordion option to increase the revolving commitments or incur new term loans up to an additional $50.0 million. The Revolving Credit Facility matures on June 23, 2029 and is secured by substantially all assets of the Company and its wholly owned domestic subsidiaries, which provide a full, unconditional guarantee of the Company's obligations thereunder.

Interest Rate and Fees

Borrowings bear interest at Term SOFR or Daily Simple SOFR (each as defined in the Credit Agreement) plus 2.00% to 2.50%, or at the Base Rate (as defined in the Credit Agreement) plus 1.00% to 1.50%, in each case based on the Company's Consolidated Net Leverage Ratio (as defined in the Credit Agreement). An undrawn commitment fee of 0.20% to 0.30% per annum accrues on the unused portion of the facility, payable quarterly in arrears.

Covenants

The Credit Agreement contains financial maintenance covenants requiring the Company to maintain (i) a maximum Consolidated Net Leverage Ratio of 2.50 to 1.00, with cash netting of up to $100.0 million, and (ii) a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of 1.25 to 1.00, tested quarterly. The Credit Agreement also contains customary affirmative and negative covenants and events of default. As of September 30, 2026, the Company was in compliance with all covenants.

Availability and Borrowings

As of September 30, 2026, there were no borrowings and no letters of credit outstanding under the Revolving Credit Facility, resulting in available borrowing capacity of $150.0 million.

Debt Issuance Costs

In connection with the Credit Agreement, the Company incurred approximately $1.2 million of debt issuance costs, presented as a deferred financing cost asset within prepaid expenses and other current assets and other long-term assets on the condensed consolidated balance sheet. These costs are amortized on a straight-line basis over the three-year term of the Revolving Credit Facility as a component of interest expense. Amortization of the debt issuance costs related to the Revolving Credit Facility for each of the three and nine months ended September 30, 2026 was $0.1 million.

Note 10—Net Income per Share

The following table sets forth the computation of the Company's basic and diluted net income per share for the periods presented:

(In thousands, except share and per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Numerator:				
Basic: net income	$ 31,810	$ 29,335	$ 88,675	$ 99,791
Interest expense related to convertible senior notes, net of tax	351	575	1,494	1,724
Diluted	$ 32,161	$ 29,910	$ 90,169	$ 101,515
Denominator:				
Weighted-average shares used to compute net income per share, basic and diluted				
Basic	125,103,333	131,986,901	125,701,348	133,114,357
Options to purchase common stock	180,139	489,653	324,582	511,597
Common stock issuable upon vesting of restricted stock units and performance stock units	96,473	1,526,183	645,814	1,621,154
Common stock issuable upon exercise of common stock warrants	149,830	199,866	149,859	199,865
Common stock issuable in connection with employee stock purchase plan	—	—	9,269	—
Common stock issuable in connection with convertible senior notes	2,731,522	5,463,045	4,552,537	5,463,045
Diluted	128,261,297	139,665,648	131,383,409	140,910,018
Net income per share:				
Basic	$ 0.25	$ 0.22	$ 0.71	$ 0.75
Diluted	$ 0.25	$ 0.21	$ 0.69	$ 0.72

The following potentially dilutive shares were excluded from the computation of diluted net income per share for the periods presented because including them would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Options to purchase common stock	299,148	1,727,821	154,705	1,500,000
Common stock issuable upon vesting of restricted stock units and performance stock units	8,467,115	8,605,680	7,752,824	8,510,709
Common stock issuable in connection with employee stock purchase plan	912,044	632,851	902,775	632,851
Total	9,678,307	10,966,352	8,810,304	10,643,560

Note 11—Income Taxes

The Company computes its provision for income taxes by applying the estimated annual effective tax rate to year-to-date income from recurring operations and adjusts the provision for discrete tax items recorded in the period.

For the three months ended September 30, 2026 and 2025, the Company's income tax provision was $6.7 million and $6.3 million, respectively. For the nine months ended September 30, 2026 and 2025, the Company's income tax provision was $19.7 million and $19.3 million, respectively.

The increases in income tax provision for the three and nine months ended September 30, 2026, as compared to the same periods in 2025, were primarily attributable to tax deficiencies related to stock-based compensation.

The Company regularly evaluates the realizability of its deferred tax assets and establishes a valuation allowance when it is more likely than not that some or all of its deferred tax assets will not be realized. This assessment is based on the weight of all available evidence, including cumulative pre-tax income or losses, anticipated future earnings, the impact of permanent differences, and items recorded in other comprehensive income or losses.

Based on all available positive and negative evidence, including demonstrated sustained profitability, which is objective and verifiable, and after considering anticipated future earnings, the Company concluded it is more likely than not that its U.S. federal deferred tax assets will be realizable. The Company continues to maintain a valuation allowance against its California deferred tax assets, as it is more likely than not that these assets will not be realized, primarily due to expected research and development tax credit generation exceeding the Company's ability to utilize these assets in future periods.

The Company is subject to taxation in the United States and various other state and foreign jurisdictions. Due to certain tax attribute carryforwards, the tax years 2001 to 2024 remain open to examination by the major taxing jurisdictions in which the Company is subject to tax. Due to differing interpretations of tax laws and regulations, tax authorities may dispute the Company's tax filing positions. The Company periodically evaluates its exposures associated with its tax filing positions and believes that adequate amounts have been reserved for adjustments that may result from tax examinations.

On July 4, 2025, Public Law 119-21 was enacted, introducing changes to U.S. tax law, including 100% bonus depreciation and the expensing of domestic research costs. In accordance with ASC 740, Income Taxes, the effects of enacted tax law changes must be recognized in the period in which the legislation is enacted. Certain provisions became effective in the first quarter of 2026, and these impacts have been reflected in the Company's first quarter 2026 results.

Note 12—Segment Information

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly provided to the CODM in deciding how to allocate resources to an individual segment and in assessing performance. The Company's Chief Executive Officer is the Company's CODM. The CODM reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance. The accounting policies of the Company's reportable segment, as well as how the Company derives revenue, are consistent with those described in "Note 2—Basis of Presentation and Summary of Significant Accounting Policies" of the Annual Report.

The CODM uses consolidated net income to assess performance, evaluate cost optimization, and allocate resources, including personnel-related and financial or capital resources, in the annual budget and forecasting process, as well as budget-to-actual variances on a monthly basis. As such, the Company has determined that it operates as one operating and reportable segment.

The following tables set forth significant expense categories and other specified amounts included in consolidated net income that are otherwise regularly provided to the CODM for the three and nine months ended September 30, 2026 and 2025:

(In thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 185,599	$ 201,730	$ 572,742	$ 589,375
Cost of revenue [1][2]	38,844	42,069	117,921	121,740
Research and development [1][2]	26,260	37,803	92,523	112,877
Sales and marketing [1][2]	32,571	32,967	99,044	101,381
General and administrative [1][2][3][4]	22,959	26,871	72,039	74,257
Provision for transaction losses	1,176	2,393	5,947	6,421
Stock-based compensation expense[5]	9,173	19,789	38,717	48,038
Depreciation and amortization[5]	11,353	7,946	29,232	18,686
Interest income	(4,586)	(6,802)	(15,453)	(20,622)
Interest expense	539	694	1,945	2,066
Restructuring charges[5]	2,746	—	15,571	—
Income tax provision	6,734	6,340	19,682	19,334
Other segment items [5][6][7][8]	6,020	2,325	6,899	5,406
Segment net income	$ 31,810	$ 29,335	$ 88,675	$ 99,791

[1] For all periods presented, excludes stock-based compensation and depreciation and amortization included in cost of revenue, research and development, sales and marketing, and general and administrative expenses, as these amounts are regularly provided to the CODM.

[2] For the three and nine months ended September 30, 2026, excludes charges related to the 2026 Restructuring (as defined below).

[3] For the three and nine months ended September 30, 2026 and 2025, excludes acquisition-related costs.

[4] For all periods presented, excludes expenses related to the warrant to purchase 500,000 shares of the Company's common stock at an exercise price of $0.01 per share issued to the Tides Foundation in 2018, which is referred to as the Tides Foundation Warrant.

[5] During the three and nine months ended September 30, 2026, the Company incurred $4.3 million and $18.1 million in costs related to the execution of the 2026 Restructuring, respectively. Of these amounts, $2.7 million and $15.6 million, respectively, are included in "Restructuring charges", while the remaining amounts are allocated to "Stock-based compensation expense", "Depreciation and amortization", and "Other segment items". See "Note 13—Restructuring Charges" for more information.

[6] For each of the three months ended September 30, 2026 and 2025, the Company incurred $0.2 million of expenses related to the Tides Foundation Warrant, and for each of the nine months ended September 30, 2026 and 2025, the Company incurred $0.6 million of such expense.

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

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

Substantially all of the Company's long-lived assets, including operating lease right-of-use assets, were located in the United States as of September 30, 2026 and December 31, 2025.

Note 13—Restructuring Charges

In May 2026, the Company initiated a restructuring plan, referred to as the 2026 Restructuring, intended to build a more efficient operating model and position the Company for profitable growth as the nature of work evolves. The 2026 Restructuring included various cost-reduction measures, including workforce reductions, reductions in operating expenses, as well as decreases in capital expenditures. As part of the 2026 Restructuring, the Company reduced its total workforce by approximately 20% as of September 30, 2026. The Company expects additional reductions to be substantially completed by December 31, 2026.

The total restructuring charges for the three and nine months ended September 30, 2026 were $4.3 million and $18.1 million, respectively, and are presented within the respective functional line items in the Company's condensed consolidated statements of operations and comprehensive income, as shown in the following table. Restructuring charges for the three months ended September 30, 2026 primarily reflect costs under vendor contracts that the Company ceased using and impairment of certain internal-use software.

(in thousands)	Employee severance and benefit costs	Contract termination costs	Other charges	Total Restructuring Charges
Cost of revenue	$ 85	$ 187	$ —	$ 272
Research and development	4,705	2,982	1,641	9,328
Sales and marketing	2,666	957	—	3,623
General and administrative	2,404	2,312	—	4,716
Other income, net	—	—	178	178
Total	$ 9,860	$ 6,438	$ 1,819	$ 18,117

Contract termination costs include expenses related to the reduction in force of the Company’s contracted workforce impacted by the 2026 Restructuring, as well as vendor contracts that the Company ceased using.

Other charges include additional expenses incurred as part of the 2026 Restructuring, such as the impairment of certain internal-use software and disposal of certain fixed assets.

No restructuring charges were recorded for the three and nine months ended September 30, 2025.

The following table summarizes the Company’s restructuring liability:

(*in thousands*)	Restructuring Liability
Beginning balance as of January 1, 2026	$ —
Restructuring charges incurred for the six months ended June 30, 2026	13,836
Restructuring charges incurred for the three months ended September 30, 2026	4,281
Cash payments for the nine months ended September 30, 2026	(12,707)
Non-cash adjustments for the nine months ended September 30, 2026	$ (3,476)
Ending balance as of September 30, 2026	$ 1,934

As of September 30, 2026, the remaining restructuring liability of $1.9 million consists primarily of $1.5 million related to a software license agreement under which the Company no longer expects to receive economic benefit, with the remainder consisting of accrued severance and benefit costs. The liability is recorded within “Accounts payable” and “Accrued expenses and other current liabilities” in the accompanying condensed consolidated balance sheet. The remaining severance liability is expected to be settled by December 31, 2026, and the remaining contract termination liability is expected to be settled

by December 31, 2027.

The Company expects to incur additional restructuring charges during the remainder of 2026 as affected employees continue through their required service periods under the 2026 Restructuring and as the Company completes its evaluation of vendor contracts impacted by the 2026 Restructuring.

In connection with its 2026 Restructuring, the Company issued cash retention awards to certain continuing employees with an aggregate value of $12.4 million. These awards are separate and distinct from the termination benefits described above, are earned through future service, and are accounted for as compensation expense under ASC 710-10, recognized ratably over each award's applicable service period. Payments are scheduled across 2026, 2027, and 2028, subject to each recipient's continued employment and good standing on the applicable payment date.

Note 14—Subsequent Events

On October 30, 2026, Lifted completed the acquisition of 100% of the equity interests of WorkMotion Software GmbH, a privately held, Germany-based employer-of-record business, for cash consideration of approximately $129.7 million. The Company funded the purchase price with cash on hand. The Company will account for the transaction as a business combination in accordance with ASC Topic 805—*Business Combinations* ("ASC 805").

The Company has not yet completed its initial accounting for the transaction, as the acquisition closed shortly before these condensed consolidated financial statements were issued. Accordingly, certain ASC 805 disclosures are not yet available, including the allocation of the purchase consideration to the fair values of assets acquired and liabilities assumed, including goodwill and the qualitative factors that comprise it. The Company expects to complete the acquisition accounting within the measurement period.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion and analysis of our financial condition and results of operations together with the section titled "Risk Factors" and the condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, as well as assumptions that may never materialize or that may be proven incorrect. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors," and in other parts of this Quarterly Report.

Overview

Upwork Inc., through its complementary, wholly owned subsidiaries, connects businesses with global, AI-enabled talent across every on-demand work type, including freelance, agency, fractional, and payrolled. Our portfolio of platforms and other workforce solutions includes the Upwork Marketplace, the world's human and AI-powered work marketplace that connects businesses with on-demand access to highly skilled independent talent worldwide, and Lifted, our wholly owned subsidiary that provides a purpose-built solution for enterprise organizations to source, contract, manage, and pay talent across the full spectrum of contingent work.

Our customers consist of both talent and clients. We define talent as those who deliver services through the Upwork Marketplace, Lifted, or other Upwork workforce solutions. We define clients as customers that seek and engage with talent through these platforms and other workforce solutions. Talent includes independent professionals and agencies of varying sizes, while clients range from small businesses and entrepreneurs to large enterprises, including Fortune 100 companies.

We measure economic activity across our portfolio of platforms and other workforce solutions using Gross Services Volume, which we refer to as GSV. GSV represents the total dollar value transacted through all Upwork platforms and other workforce solutions, including client spend for talent services. GSV also includes other client and talent value-added services, such as AI-based solutions, purchases of Connects (which are virtual tokens that are required for talent to bid on projects and purchase ads products on the Upwork Marketplace), payment processing, memberships, and currency services.

Financial Highlights

We continue to execute on our strategic initiatives designed to drive sustainable growth and profitability, and improve operational efficiency. These initiatives have centered around four key growth drivers: (i) enhancing monetization and the supply and demand characteristics of the Upwork Marketplace with new ads products and other offerings, enhancing existing offerings, and optimizing our Connects pricing model; (ii) expanding our Enterprise offerings through enhanced solutions and strategic partnerships that enable us to serve a broader range of client segments and deliver end-to-end contingent workforce solutions through Lifted; (iii) expanding our small and medium-sized business, which we refer to as SMB, offerings and support through tailored solutions such as Business Plus; and (iv) advancing our AI capabilities and AI-native experiences, including through Uma™, our proprietary AI work agent, and other AI-driven features that enhance productivity for talent and clients across the Upwork Marketplace. While the execution of these initiatives contributed to Marketplace take rate expansion for the three and nine months ended September 30, 2026, GSV and active clients declined during these periods due to continued challenges in new client acquisition and retention, driven by the evolving impact of AI on certain categories of freelance work, changes in the search engine optimization environment that adversely impacted organic client acquisition, and macroeconomic uncertainty. We expect these factors to continue to impact GSV, active clients, and revenue in the remainder of 2026, while our cost reduction efforts are expected to support continued adjusted EBITDA growth, subject to market conditions and execution. For example, in May 2026, we initiated a restructuring plan, which we refer to as the 2026 Restructuring, to reduce our cost structure and improve operational efficiency, which contributed to adjusted EBITDA

growth despite lower revenue for the three and nine months ended September 30, 2026 and lower net income for the nine months ended September 30, 2026.

Marketplace revenue decreased 9% to $159.3 million and 3% to $496.9 million, for the three and nine months ended September 30, 2026, respectively, as compared to $174.6 million and $511.5 million in the same periods in 2025, respectively.

Marketplace take rate increased to 20.0% and 19.7% for the three and nine months ended September 30, 2026, respectively, as compared to 18.9% and 18.6% in the same periods in 2025, respectively, reflecting the growing contributions from ads and monetization, increased adoption of Business Plus, and the expansion of variable pricing for talent service fees. We expect Marketplace take rate to continue to expand in the remainder of 2026, subject to market conditions and execution.

Enterprise revenue decreased 3% to $26.3 million and 3% to $75.9 million, for the three and nine months ended September 30, 2026, respectively, as compared to $27.2 million and $77.9 million in the same periods in 2025, respectively. Unless otherwise indicated, Enterprise results discussed herein include the results of Ascen Inc., which we refer to as Ascen, and Bubty B.V., which we refer to as Bubty, following the date that each was acquired by Lifted.

During the three months ended September 30, 2026, we generated net income of $31.8 million and adjusted EBITDA of $63.8 million, compared to net income of $29.3 million and adjusted EBITDA of $59.6 million during the same period in 2025. During the nine months ended September 30, 2026, we generated net income of $88.7 million and adjusted EBITDA of $185.3 million, as compared to net income of $99.8 million and adjusted EBITDA of $172.7 million during the same period in 2025.

Net income increased $2.5 million for the three months ended September 30, 2026, as lower operating expenses more than offset a decline in gross profit. The decrease in net income of $11.1 million for the nine months ended September 30, 2026, was primarily attributable to a decline in gross profit, reflecting lower revenue and higher cost of revenue, driven by increased amortization of capitalized internal-use software and platform development costs, and $18.1 million in charges related to the 2026 Restructuring, of which $4.3 million was incurred during the three months ended September 30, 2026.

Adjusted EBITDA is not prepared in accordance with, and is not an alternative to, financial measures prepared in accordance with generally accepted accounting principles in the United States, which we refer to as U.S. GAAP. See “Key Financial and Operational Metrics—Non-GAAP Financial Measures” below for a definition of adjusted EBITDA, information regarding our use of adjusted EBITDA, and a reconciliation of adjusted EBITDA to net income, the most directly comparable financial measure prepared under U.S. GAAP.

Key Financial and Operational Metrics

The key financial and operational metrics that we monitor to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions were as follows, as of or for the periods presented:

	Three Months Ended September 30,			Nine Months Ended September 30,		
(In thousands, except percentages and basis points)	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
GSV	$ 914,064	$ 1,016,679	(10)%	$ 2,866,539	$ 3,007,053	(5)%
Marketplace revenue	$ 159,321	$ 174,572	(9)%	$ 496,884	$ 511,525	(3)%
Marketplace take rate	20.0 %	18.9 %	110 bps	19.7 %	18.6 %	110 bps
Net income	$ 31,810	$ 29,335	8 %	$ 88,675	$ 99,791	(11)%
Adjusted EBITDA [(1)]	$ 63,789	$ 59,627	7 %	$ 185,268	$ 172,699	7 %

[1] Adjusted EBITDA is not prepared in accordance with, and is not an alternative to, financial measures prepared in accordance with U.S. GAAP. See "—Non-GAAP Financial Measures" below for the definition of adjusted EBITDA, information regarding our use of adjusted EBITDA, and a reconciliation of adjusted EBITDA to net income, the most directly comparable financial measure prepared under U.S. GAAP.

	As of September 30,		
(Active clients are in thousands)	**2026**	**2025**	**% Change**
Active clients	717	794	(10)%
GSV per active client	$ 5,418	$ 5,036	8 %

We believe these key financial and operational metrics are useful to evaluate period-over-period comparisons of our business and in understanding our operating results, and management uses these metrics to track our performance. We expect our key metrics may fluctuate between periods due to a number of factors, including changing macroeconomic conditions; the number of Sundays (i.e., the day we have the contractual right to bill and recognize revenue for the majority of our talent service fees each week) in any given period; the lapping of significant launches of new lines of business or products, pricing changes, and other monetization efforts; and ongoing efforts to improve processes on the Upwork Marketplace, including project proposals and purchases of Connects, among others. For a discussion of limitations in the measurement of our key financial and operational metrics, see "Risk Factors—We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics may not accurately reflect certain details of our business, are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business" in Part II, Item 1A of this Quarterly Report.

Gross Services Volume (GSV)

GSV represents the total dollar value transacted through all Upwork platforms and other workforce solutions. The primary component of GSV is client spend, which we define as the total dollar amount that clients spend for talent services through such platforms and other workforce solutions. GSV also includes other client and talent value-added services, such as AI-based services, purchases of Connects, payment processing, memberships, and currency services.

Growth in the number of active clients and GSV per active client are the primary drivers of GSV.

In the third quarter of 2025, we refined our definition of GSV to better align with the continued evolution of our business model and service offerings, including as a result of Lifted's acquisitions of Bubty and Ascen. This change does not impact previously reported GSV amounts or affect the comparability of GSV across periods, and no historical periods have been recast.

For purposes of determining countries where we enable GSV, we include both the countries in which the clients that paid for the applicable services are located, as well as the countries in which talent that provided those services are located.

Marketplace Revenue

Marketplace revenue represents the revenue derived from the Upwork Marketplace and is the primary driver of our business. We believe Marketplace revenue provides comparability to other online marketplaces. We generate Marketplace revenue from both talent and clients. Marketplace revenue is primarily generated from talent service fees paid by talent as a percentage of the total amount talent charges clients for services accessed on the Upwork Marketplace and client marketplace fees. We also generate Marketplace revenue through ads and monetization products, including purchases of Connects, talent memberships, and other services, such as foreign currency exchange when clients choose to pay in currencies other than the U.S. dollar. Additionally, we earn interest on funds held on behalf of customers, which is included in Marketplace revenue.

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. We define Marketplace GSV as GSV derived from the Upwork Marketplace. Marketplace take rate is an important metric because it is the key indicator of how well we monetize spend on the Upwork Marketplace.

Active Clients and GSV per Active Client

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. 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. We believe that the number of active clients and GSV per active client are indicators of the growth and overall health of our business. The number of active clients is a driver of GSV and, in turn, revenue generated across our platforms and workforce solutions.

Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, adjusted EBITDA is a non-GAAP measure that we believe is useful in evaluating our operating performance.

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. Adjusted EBITDA is not prepared in accordance with, and is not an alternative to, financial measures prepared in accordance with U.S. GAAP.

The following table presents a reconciliation of net income, the most directly comparable financial measure prepared in accordance with U.S. GAAP, to adjusted EBITDA for each of the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**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

[(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 2026 Restructuring, 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”. See “Note 13—Restructuring Charges” of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report for additional information.

[(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 Lifted’s acquisition of WorkMotion Software GmbH. 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.

We use adjusted EBITDA as a measure of operational efficiency. We believe that this non-GAAP financial measure is useful to investors for period-to-period comparisons of our business and in understanding and evaluating our operating results for the following reasons:

- adjusted EBITDA is widely used by investors and securities analysts to measure a company’s operating performance without regard to items such as 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, all of which can vary substantially from company to company depending upon their financing, capital structures, and the method by which assets were acquired;
- our management uses adjusted EBITDA in conjunction with financial measures prepared in accordance with U.S. 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; and
- adjusted EBITDA provides consistency and comparability with our past financial performance, facilitates period-to-period comparisons of our core operating results, and also facilitates

comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their U.S. GAAP results.

Our use of adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our financial results as reported under U.S. GAAP. Some of these limitations are as follows:

- adjusted EBITDA excludes 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;
- although depreciation and amortization expense are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- 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; and
- other companies, including companies in our industry, may calculate adjusted EBITDA or similarly titled measures differently, which reduces the usefulness of this measure for comparative purposes.

Because of these and other limitations, you should consider adjusted EBITDA along with net income and our other financial performance measures prepared in accordance with U.S. GAAP.

Components of Our Results of Operations

Revenue

Marketplace Revenue. Marketplace revenue represents the revenue derived from the Upwork Marketplace and is primarily generated from talent service fees and client marketplace fees. Effective May 2025, we introduced a variable pricing structure for talent service fees for new contracts. Under this variable pricing structure, talent on the Upwork Marketplace are charged a fixed fee for each contract ranging from 0% to 15% of their earnings, depending on platform-specific supply and demand factors, such as project type, job availability, and client demand. The applicable fee is disclosed at contract inception and remains fixed for the duration of the contract. For contracts formed prior to May 2025, we maintain a flat talent service fee of 10% for talent working with clients on the Upwork Marketplace.

Revenue for a majority of talent service fees on the Upwork Marketplace is recognized on the Sunday of each week, as this is the day we have the contractual right to bill talent for the service fees. We charge a client marketplace fee of 5% on each transaction—or 3% if paid via ACH for eligible clients. We also offer a Business Plus plan that includes premium features targeted at larger customers, which is subject to a client marketplace fee of 10% on each transaction—or 8% if paid via ACH for eligible clients.

We also generate Marketplace revenue through ads and monetization products, talent memberships, and other services, such as foreign currency exchange when clients choose to pay in currencies other than the U.S. dollar. Additionally, we earn interest on funds held on behalf of customers.

Enterprise Revenue. Enterprise offers two primary lines of service—Enterprise Solutions and Managed Services.

Our Enterprise Solutions offerings include access to additional product features, premium access to top talent, professional services, custom reporting, and flexible payment terms. Revenue from our Enterprise Solutions offerings includes all client fees, subscriptions, and talent service fees. For our Enterprise Solutions offerings, we charge clients a monthly or annual subscription fee and a service fee calculated as a percentage of the client's spend on talent services, in addition to a 10% service fee paid by talent. Additionally, clients of our Enterprise Solutions offerings can subscribe to a compliance service that

includes worker classification services for an additional fee and may also choose to use the Upwork Marketplace to engage talent that were not originally sourced through the Upwork Marketplace for a lower fee percentage.

Through our Managed Services offering, we are responsible for providing services and engaging talent directly or as employees of Ascen and its subsidiaries or third-party staffing providers to perform services for clients on our behalf. The talent providing services in connection with our Managed Services offering include independent talent and agencies of varying sizes. Under U.S. GAAP, we are deemed to be the principal in these Managed Services arrangements and therefore recognize the entire GSV of Managed Services projects as Managed Services revenue, as compared to recognizing only the percentage of the client spend that we receive, as we do with our Marketplace and Enterprise Solutions offerings.

Cost of Revenue, Gross Profit, and Gross Margin

Cost of Revenue. Cost of revenue consists primarily of the cost of payment processing fees, amounts paid to talent to deliver services for clients under our Managed Services offering, personnel-related costs for our services and support personnel, third-party hosting fees for our use of Amazon Web Services, which we refer to as AWS, and the amortization expense associated with capitalized internal-use software and platform development costs. We define personnel-related costs as salaries, bonuses, benefits, travel and entertainment, and stock-based compensation costs for employees and the costs related to other service providers we engage.

Gross Profit and Gross Margin. Our gross profit and gross margin may fluctuate from period to period. Such fluctuations may be influenced by our revenue, the mix of payment methods that our clients choose, the timing and amount of investments to expand hosting capacity, our continued investments in our services and support teams, the timing and amounts paid to talent in connection with our Managed Services offering, and the amortization expense associated with capitalized internal-use software and platform development costs. In addition, gross margin will be impacted by fluctuations in our revenue mix between Marketplace revenue and Enterprise revenue.

Operating Expenses

Research and Development. Research and development expense primarily consists of personnel-related costs. Research and development costs are expensed as incurred, except to the extent that such costs are associated with internal-use software and platform development that qualifies for capitalization.

Sales and Marketing. Sales and marketing expense consists primarily of expenses related to advertising and marketing activities, as well as personnel-related costs, including sales commissions, which we expense as they are incurred.

General and Administrative. General and administrative expense consists primarily of personnel-related costs for our executive, finance, legal, human resources, and operations functions; outside consulting, legal, and accounting services; and insurance.

Provision for Transaction Losses. Provision for transaction losses consists primarily of losses resulting from fraud and bad debt expense associated with our Trade and client receivables balance and transaction losses associated with chargebacks. Provisions for these items represent estimates of losses based on our actual historical incurred losses and other factors.

Other Income, Net

Other income, net consists primarily of interest income that we earn from our operating investments, namely our deposits in money market funds and investments in marketable securities, interest expense on our outstanding borrowings, as well as gains and losses from foreign currency exchange transactions.

Income Tax Provision

Income tax provision consists primarily of U.S. federal and state income taxes. We will continue to evaluate the need for a valuation allowance against our deferred tax assets on a quarterly basis.

Results of Operations

The following table sets forth our condensed consolidated results of operations for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**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 [(1)]	44,304	45,843	134,233	131,081
Gross profit	141,295	155,887	438,509	458,294
Operating expenses				
Research and development [(1)]	34,889	47,494	122,090	138,489
Sales and marketing [(1)]	33,832	34,985	106,183	107,407
General and administrative [(1)]	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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**2026**	**2025**	**2026**	**2025**
Cost of revenue	$ 74	$ 193	$ 324	$ 580
Research and development	2,598	6,101	10,269	17,528
Sales and marketing	959	1,615	3,700	4,790
General and administrative	5,542	11,880	24,424	25,140
Total stock-based compensation	$ 9,173	$ 19,789	$ 38,717	$ 48,038

Comparison of the Three and Nine Months Ended September 30, 2026 and 2025

Revenue

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Marketplace	$ 159,321	$ 174,572	$ (15,251)	(9)%	$ 496,884	$ 511,525	$ (14,641)	(3)%
Percentage of total revenue	86 %	87 %			87 %	87 %		
Enterprise	26,278	27,158	(880)	(3)%	75,858	77,850	(1,992)	(3)%
Percentage of total revenue	14 %	13 %			13 %	13 %		
Total revenue	$ 185,599	$ 201,730	$ (16,131)	(8)%	$ 572,742	$ 589,375	$ (16,633)	(3)%

During the three and nine months ended September 30, 2026, GSV decreased 10% and 5%, respectively, as compared to the same periods in 2025. The decreases were primarily driven by lower client acquisition and retention, reflecting the evolving impact of AI on certain categories of freelance work, changes in the search engine optimization environment that adversely affected the organic client acquisition, and macroeconomic uncertainty. These declines were partially offset by growth in Enterprise Solutions, primarily attributable to the acquisition of Ascen, and growth in Business Plus.

The number of active clients decreased 10% as of September 30, 2026, compared to September 30, 2025, driven by lower acquisition of new clients as well as lower retention of existing clients. By contrast, GSV per active client increased 8% as of September 30, 2026, compared to September 30, 2025, primarily due to a shift in client mix toward high-spending clients on the Marketplace, as well as year-over-year GSV growth from Lifted.

For the three and nine months ended September 30, 2026, total revenue was $185.6 million and $572.7 million, respectively, representing decreases of 8% and 3%, respectively, compared to the same periods in 2025.

For the three and nine months ended September 30, 2026, Marketplace revenue decreased by $15.3 million, or 9%, and $14.6 million, or 3%, respectively, compared to the same periods in 2025.

The decreases in both periods were primarily driven by lower talent service fees and client marketplace fees resulting from a decline in active clients, partially offset by the expansion of variable pricing for talent service fees, increased adoption of our Business Plus offering, and higher revenue from ads and monetization.

For the three and nine months ended September 30, 2026, Enterprise revenue decreased by $0.9 million, or 3%, and $2.0 million, or 3%, respectively, compared to the same periods in 2025. The decreases in both periods were primarily driven by decreased revenue from Managed Services reflecting reduced client spend, partially offset by an increase in Enterprise Solutions revenue generated by the acquisition of Ascen.

Enterprise revenue is expected to increase in the fourth quarter of 2026, as compared to the third quarter of 2026, driven by Enterprise Solutions, partially offset by an expected decline in Managed Services Revenue. We are focused on supporting existing Enterprise clients and continue to invest in the development and expansion of Lifted.

Cost of Revenue and Gross Margin

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Cost of revenue	$ 44,304	$ 45,843	$ (1,539)	(3)%	$ 134,233	$ 131,081	$ 3,152	2 %
Total gross margin	76 %	77 %			77 %	78 %		

For the three months ended September 30, 2026, cost of revenue decreased by $1.5 million, or 3%, compared to the same period in 2025. The decrease was primarily driven by a $1.0 million reduction in talent service costs associated with delivering Managed Services revenue, a $1.0 million reduction in payment processing fees, and a $1.0 million reduction in data center and customer support costs. These decreases were partially offset by a $1.8 million increase in amortization of capitalized internal-use software and platform development costs.

For the nine months ended September 30, 2026, cost of revenue increased by $3.2 million, or 2%, compared to the same period in 2025. The increase was primarily driven by a $6.9 million increase in amortization of capitalized internal-use software and platform development costs related to projects placed into service during 2025. This increase was partially offset by a $1.8 million reduction in talent services costs associated with lower Managed Services client activity, a $1.7 million reduction in data center and customer support costs, and a $0.5 million reduction in payment processing fees.

The increases in amortization for both periods reflect our investments in the Upwork Marketplace, including AI-enabled features and agentic capabilities that were placed into service at the end of year 2025.

For the three and nine months ended September 30, 2026, gross margin decreased to 76% and 77%, respectively, as compared to 77% and 78% in the same periods in 2025, primarily reflecting revenue declining at a faster rate than cost of revenue and the impact of higher amortization of capitalized internal-use software and platform development costs.

We expect gross margin to remain below prior year levels for the remainder of 2026, primarily due to lower revenue and higher amortization of capitalized internal-use software and platform development costs, partially offset by lower other costs of revenue.

Research and Development

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Research and development	$ 34,889	$ 47,494	$ (12,605)	(27)%	$ 122,090	$ 138,489	$ (16,399)	(12)%
Percentage of total revenue	19 %	24 %			21 %	23 %		

For the three and nine months ended September 30, 2026, research and development expense decreased $12.6 million, or 27%, and $16.4 million, or 12%, respectively, compared to the same periods in 2025.

For the three months ended September 30, 2026, the decrease was primarily driven by $13.0 million of lower personnel-related costs, reflecting lower corporate bonus expense and stock-based compensation expense, and a $2.0 million increase in internal-use software and platform development costs capitalized in the period. These decreases were partially offset by $2.4 million of charges related to the 2026 Restructuring, including a $1.6 million impairment of capitalized internal-use software.

For the nine months ended September 30, 2026, the decrease was primarily driven by $21.8 million of lower personnel-related costs, reflecting a decline in corporate bonus expense and lower stock-based

compensation expense, and a $9.8 million increase in internal-use software and platform development costs capitalized in the period. These decreases were partially offset by $9.3 million of charges related to the 2026 Restructuring, a $3.1 million increase in amortization of intangible assets, and a $2.9 million increase in hosting costs.

Sales and Marketing

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Sales and marketing	$ 33,832	$ 34,985	$ (1,153)	(3)%	$ 106,183	$ 107,407	$ (1,224)	(1)%
Percentage of total revenue	18 %	17 %			19 %	18 %		

For each of the three and nine months ended September 30, 2026, sales and marketing expense decreased by $1.2 million, or 3% and 1%, respectively, compared to the same periods in 2025.

For the three months ended September 30, 2026, the decrease was primarily driven by $3.5 million in lower personnel-related costs, reflecting lower salaries and benefits, corporate bonus expense, and stock-based compensation expense. This decrease was partially offset by a $2.2 million increase in marketing and advertising expense and $0.3 million of charges related to the 2026 Restructuring.

For the nine months ended September 30, 2026, the decrease was primarily driven by $9.7 million in lower personnel-related costs, reflecting lower corporate bonus expense and salaries and benefits, and stock-based compensation expense. This decrease was partially offset by a $5.5 million increase in marketing and advertising expense and $3.6 million of charges related to the 2026 Restructuring.

General and Administrative

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
General and administrative	$ 36,805	$ 41,257	$ (4,452)	(11)%	$ 108,841	$ 104,964	$ 3,877	4 %
Percentage of total revenue	20 %	20 %			19 %	18 %		

For the three months ended September 30, 2026, general and administrative expense decreased by $4.5 million, or 11%, compared to the same period in 2025.

For the three months ended September 30, 2026, the decrease was primarily driven by $10.7 million in lower personnel-related costs, reflecting lower salaries and benefits, corporate bonus expense, and stock-based compensation expense. This decrease was partially offset by a $3.6 million increase in legal fees, which includes costs related to Lifted's acquisition of WorkMotion Software GmbH, a $1.7 million increase in indirect taxes, and $1.6 million of charges related to the 2026 Restructuring.

For the nine months ended September 30, 2026, general and administrative expense increased by $3.9 million, or 4%, compared to the same period in 2025.

For the nine months ended September 30, 2026, the increase was primarily driven by $4.7 million in charges related to the 2026 Restructuring, a $2.6 million increase in legal fees, a $1.9 million increase in contractor and professional service fees, and a $1.6 million increase in indirect taxes, partially offset by $7.3 million lower personnel-related costs primarily reflecting a decline in corporate bonus expense.

Provision for Transaction Losses

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Provision for transaction losses	$ 1,176	$ 2,393	$ (1,217)	(51)%	$ 5,947	$ 6,421	$ (474)	(7)%
Percentage of total revenue	0.6 %	1.2 %			1.0 %	1.1 %		

For the three and nine months ended September 30, 2026, provision for transaction losses decreased by $1.2 million and $0.5 million, respectively, compared to the same periods in 2025, representing approximately 0.6% and 1% of revenue for each of the three and nine months ended September 30, 2026, respectively.

Other Income, Net

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Other income, net	$ 3,951	$ 5,917	$ (1,966)	(33)%	$ 12,909	$ 18,112	$ (5,203)	(29)%

Other income, net decreased by $2.0 million, or 33%, and $5.2 million, or 29%, for the three and nine months ended September 30, 2026, respectively, compared to the same periods in 2025. The decreases were primarily due to lower interest income, reflecting lower average cash and investment balances and lower yields.

Income Tax Provision

(In thousands, except percentages)	Three Months Ended September 30,				Nine Months Ended September 30,			
	2026	2025	Change		2026	2025	Change	
Income tax provision	$ (6,734)	$ (6,340)	$ 394	6 %	$ (19,682)	$ (19,334)	$ 348	2%
Effective tax rate	17.5 %	17.8 %			18.2 %	16.2 %		

For the three months ended September 30, 2026, our income tax provision increased by $0.4 million, or 6%, compared to the same period in 2025. Our effective tax rate decreased to 17.5% compared to 17.8% for the same period in 2025.

For the nine months ended September 30, 2026, our income tax provision increased by $0.3 million, or 2%, compared to the same period in 2025. Our effective tax rate increased to 18.2% compared to 16.2% for the same period in 2025, primarily attributable to tax deficiencies related to stock-based compensation.

Liquidity and Capital Resources

Our principal sources of liquidity are our cash and cash equivalents, marketable securities, and available borrowings under our Revolving Credit Facility (as defined below). Our cash equivalents and marketable securities primarily consist of money market funds, commercial paper, treasury bills, corporate bonds, U.S. and foreign government securities, asset-backed securities, and other types of fixed income securities. The primary objective of our investment activities from our operating investments is to preserve principal while maximizing income without significantly increasing risk. Since our inception, our business has consisted of the operation of an online work marketplace that connects businesses with independent talent from across the globe and the provision of additional contingent workforce solutions through Lifted and its subsidiaries. We do not make investments for trading or speculative purposes. As of

September 30, 2026 and December 31, 2025, we had $228.0 million and $294.4 million in cash and cash equivalents, respectively. As of September 30, 2026 and December 31, 2025, we had $76.3 million and $378.4 million in marketable securities, respectively. The decrease in cash, cash equivalents, and marketable securities from December 31, 2025 was primarily due to the repayment of the Notes (as defined below) and repurchases of our common stock.

In June 2026, we entered into a credit agreement, which we refer to as the Credit Agreement, that provides for a secured revolving loan, available in an amount up to $150.0 million, which we refer to as the Revolving Credit Facility, to support our ongoing liquidity and capital needs. The Credit Agreement also includes an option to increase the amount of the Revolving Credit Facility, through either an increase to the revolving loan or the incurrence of new term loans, up to an additional $50.0 million. As of September 30, 2026, no amounts were outstanding under the Revolving Credit Facility and $150.0 million of borrowing capacity was available. The Credit Agreement contains financial maintenance covenants requiring us to maintain (i) a maximum Consolidated Net Leverage Ratio (as defined in the Credit Agreement) of 2.50 to 1.00, with cash netting of up to $100.0 million, and (ii) a minimum Consolidated Fixed Charge Coverage Ratio (as defined in the Credit Agreement) of 1.25 to 1.00, tested quarterly. The Credit Agreement also contains customary affirmative and negative covenants and events of default. As of September 30, 2026, we were in compliance with all covenants. See “Note 9—Debt” to our condensed consolidated financial statements for additional information regarding the Revolving Credit Facility.

In August 2026, we repaid at maturity the $361.0 million aggregate principal amount outstanding of our 0.25% convertible senior notes due 2026, which we refer to as the Notes, using cash on hand. We did not borrow any amounts under the Revolving Credit Facility in connection with the repayment. Following the repayment of the Notes, we believe our remaining cash, cash equivalents, and marketable securities, together with cash generated from operations, will be sufficient to meet our working capital and capital expenditure needs for at least the next 12 months.

In the long term, our ability to support our working capital and capital expenditure requirements will depend on many factors, including our revenue growth rate, the timing and the amount of cash received from customers, the timing and extent of spending to support research and development efforts, investments to support and scale our Enterprise offerings, including integration costs associated with recent acquisitions, the expansion of sales and marketing activities, the cost to host our platforms and other workforce solutions, the introduction of new lines of business, offerings, and services, the continuing market adoption of our offerings, any acquisitions or investments that we make in complementary businesses, products, and technologies, macroeconomic conditions, any repurchases of shares of our outstanding common stock, and our ability to obtain equity or debt financing.

To the extent existing cash and cash equivalents, cash from marketable securities, cash from operations, and available borrowings under our Revolving Credit Facility are insufficient to fund our working capital and capital expenditure requirements, or should we require additional cash for other purposes, we will need to raise additional funds. In the future, we may attempt to raise additional capital through the sale of equity securities or through equity-linked or debt financing arrangements. If we raise additional funds by issuing equity or equity-linked securities, the ownership and economic interests of our existing stockholders will be diluted. If we raise additional financing by incurring additional indebtedness, we will be subject to additional debt service requirements and could also be subject to additional restrictive covenants, such as limitations on our ability to incur additional debt, and other operating restrictions that could adversely impact our ability to conduct our business. Any future indebtedness we incur may result in terms that could also be unfavorable to our equity investors. There can be no assurances that we will be able to raise additional capital on terms we deem acceptable, or at all. The inability to raise additional capital as and when required would have an adverse effect, which could be material, on our results of operations, financial condition, and ability to achieve our business objectives.

Commitments and Contingencies

Our principal commitments consist of future purchase commitments for cloud infrastructure and other services, and obligations under our non-cancelable operating leases for office space.

During the periods presented, we did not have, nor do we currently have, any commitments or obligations, including contingent obligations, arising from arrangements with unconsolidated entities or persons that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources.

Notes

In August 2026, we repaid the $361.0 million aggregate principal amount of the Notes at maturity. As of September 30, 2026, no Notes remained outstanding. For additional information about our Notes, see the section below titled "—Convertible Senior Notes Due 2026 and Capped Calls."

Revolving Credit Facility

In June 2026, we entered into the Credit Agreement providing the Revolving Credit Facility, available in an amount up to $150.0 million, which matures on June 23, 2029. As of September 30, 2026, no amounts were outstanding under the Revolving Credit Facility. See "Note 9—Debt" to our condensed consolidated financial statements for additional information regarding the terms of the Credit Agreement, including interest rates, fees, and covenant requirements.

Future Purchase Commitments

In June 2026, we entered into a non-cancelable agreement for cloud infrastructure and other services that contains future purchase commitments of $44.0 million over two years, with $22.0 million in each year. The agreement expires in May 2028.

As of September 30, 2026, we had total remaining purchase commitments of $33.4 million, consisting of $31.2 million under the cloud infrastructure agreement described above and $2.2 million under various other vendor agreements.

Operating Leases for Office Space

During the three months ended March 31, 2026, we entered into three new operating lease agreements for office space. Refer to "Note 6—Leases" to the condensed consolidated financial statements included in this Quarterly Report for additional information regarding these leases. Except as described in Note 6, there were no other material changes to our commitments under our lease agreements from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

Share Repurchase Program

In September 2025, our board of directors authorized a share repurchase program for the repurchase of up to $100.0 million of shares of our outstanding common stock, which we refer to as the 2025 Share Repurchase Authorization. Under the 2025 Share Repurchase Authorization, we repurchased and subsequently retired 2.1 million shares of our common stock for an aggregate amount of $36.0 million, at an average price of $17.33 per share, from September 2025 through December 2025, and an additional 4.6 million shares for an aggregate amount of $64.0 million, at an average price of $14.00 per share, from January 2026 through March 2026. As of September 30, 2026, we had no remaining balance available for repurchases under the 2025 Share Repurchase Authorization.

In February 2026, our board of directors authorized a share repurchase program for the repurchase of up to $300.0 million of shares of our outstanding common stock, which we refer to as the 2026 Share Repurchase Authorization, and we refer to the 2026 Share Repurchase Authorization and the 2025 Share Repurchase Authorization together as the Share Repurchase Authorizations. Under the 2026 Share Repurchase Authorization, we repurchased and subsequently retired 3.7 million shares of our common stock for an aggregate amount of $45.7 million, at an average price of $12.31 per share, since the authorization in February 2026. As of September 30, 2026, we had $254.3 million available for repurchase under the 2026 Share Repurchase Authorization.

Collectively, during the nine months ended September 30, 2026, we repurchased and subsequently retired 8.3 million shares of our common stock for an aggregate amount of $109.7 million including fees

associated with the repurchases and excluding excise tax, under the Share Repurchase Authorizations, at an average price of $13.24 per share. We did not repurchase any shares during the three months ended September 30, 2026.

Repurchases of our common stock under the 2026 Share Repurchase Authorization may be made from time to time on the open market (including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended), in privately negotiated transactions, or by other methods, at our discretion, and in accordance with applicable securities laws and other restrictions. The 2026 Share Repurchase Authorization has no expiration date and will continue until otherwise suspended, terminated, or modified at any time for any reason. The 2026 Share Repurchase Authorization does not obligate us to repurchase any dollar amount or number of shares, and the timing and amount of any repurchases will depend on market and business conditions.

Escrow Funding Requirements

As a licensed internet escrow agent, we offer escrow services to customers and, as such, we are required to hold our customers' escrowed cash and in-transit cash in trust as an asset and record a corresponding liability for escrow funds held on behalf of talent and clients on our balance sheet. We expect the balances of our funds held in escrow, including funds held in transit, and the related liability to fluctuate based on marketplace activity, and they may vary from period to period. Escrow regulations require us to cover the trust with our operating cash in the event of shortages due to the timing of cash receipts from clients for completed hourly billings. Talent submit their billings for hourly contracts to their clients on a weekly basis every Sunday, and the aggregate amount of such billings is added to escrow funds payable to talent on the same day. As of each Sunday of each week, we have not yet collected funds for hourly billings from clients as these funds are in transit. Therefore, in order to satisfy escrow funding requirements, every Sunday we match the shortage of cash in trust by restricting our own operating cash and typically collect this cash shortage from clients within the next several days. As of September 30, 2026 and December 31, 2025, funds held in escrow, including funds in transit, were $164.6 million and $180.8 million, respectively. We deposit a portion of funds held in escrow in interest-bearing checking accounts.

Convertible Senior Notes Due 2026 and Capped Calls

As of December 31, 2025, $361.0 million aggregate principal amount of the Notes remained outstanding. We repaid the outstanding principal amount of the Notes, together with accrued interest, at maturity on August 15, 2026, using cash on hand, and as of September 30, 2026, no Notes remained outstanding.

The Notes were issued in August 2021, pursuant to and subject to the terms and conditions of an indenture between us and Computershare Trust Company, National Association (as successor in interest to Wells Fargo Bank, National Association), as trustee. The Notes were senior, unsecured obligations and bore interest at a rate of 0.25% per year, payable semiannually in arrears, and matured on August 15, 2026.

In connection with the issuance of the Notes, we entered into capped call transactions, which we refer to as the Capped Calls. The Capped Calls were expected generally to reduce the potential dilution to our common stock upon any conversion of the Notes and/or offset any cash payments we may have been required to make in excess of the principal amount of converted Notes, as the case may be, with such reduction and/or offset subject to a cap based on the cap price.

The initial cap price of the Capped Calls was $92.74 per share of common stock, subject to certain customary adjustments under the terms of the Capped Calls. The Capped Calls expired in accordance with their terms in connection with the maturity of the Notes. See "Note 9—Debt" of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report for additional information regarding the Notes and the Capped Calls.

Cash Flows

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

	Nine Months Ended September 30,	
(In thousands)	**2026**	**2025**
Net cash provided by operating activities	$ 135,840	$ 184,558
Net cash provided by (used in) investing activities	270,704	(138,170)
Net cash used in financing activities[(1)]	(489,060)	(75,970)
Net change in cash, cash equivalents, and restricted cash	$ (82,516)	$ (29,582)

[(1)] Includes a decrease in funds held in escrow, including funds in transit, of $19.6 million for the nine months ended September 30, 2026, and an increase of $23.0 million for the nine months ended September 30, 2025.

Operating Activities

Our largest source of cash from operating activities is Marketplace revenue. Our primary uses of cash from operating activities are for personnel-related expenditures, payment processing fees, amounts paid to talent to deliver services for clients under our Managed Services offering, and third-party hosting costs.

For the nine months ended September 30, 2026, net cash provided by operating activities was $135.8 million, which resulted from net income of $88.7 million, non-cash adjustments of $76.5 million, and net cash outflows of $29.3 million from changes in operating assets and liabilities.

For the nine months ended September 30, 2025, net cash provided by operating activities was $184.6 million, which resulted from net income of $99.8 million, non-cash adjustments of $68.8 million, and net cash inflows of $15.9 million from changes in operating assets and liabilities.

Investing Activities

For the nine months ended September 30, 2026, net cash provided by investing activities was $270.7 million, primarily driven by $302.1 million in proceeds from maturities of marketable securities and $2.0 million in proceeds from the sale of marketable securities, partially offset by $25.7 million in internal-use software and platform development costs and $7.5 million for purchases of property and equipment.

For the nine months ended September 30, 2025, net cash used in investing activities was $138.2 million, which was primarily a result of investing $365.9 million in various marketable securities, $59.8 million cash paid for the acquisitions of Bubty and Ascen, $13.4 million in internal-use software and platform development costs, and $5.3 million for purchases of property and equipment. These outflows were partially offset by $302.7 million in proceeds from maturities of marketable securities and $3.6 million in proceeds from the sale of marketable securities.

Financing Activities

For the nine months ended September 30, 2026, net cash used in financing activities was $489.1 million, primarily driven by $361.0 million in cash paid for the repayment of the Notes, $109.7 million in cash paid for repurchases under the Share Repurchase Authorizations, a decrease in escrow funds payable of $19.6 million, and $1.2 million of debt issuance costs paid in connection with the Revolving Credit Facility. These outflows were partially offset by $1.6 million in proceeds received from our 2018 Employee Stock Purchase Plan, and $0.8 million in proceeds from stock option exercises.

For the nine months ended September 30, 2025, net cash used in financing activities was $76.0 million, which was driven by $101.9 million cash paid for repurchases under our share repurchase programs authorized by our board of directors in October 2024 and September 2025, partially offset by an increase in escrow funds payable of $23.0 million, proceeds received from our 2018 Employee Stock Purchase Plan of $2.2 million, and cash received from stock option exercises of $0.7 million.

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of the condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses, and related disclosures. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors and adjust those estimates and assumptions when facts and circumstances dictate. Actual results could materially differ from these estimates and assumptions.

An accounting policy is deemed to be critical if it requires an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, if different estimates reasonably could have been used, or if changes in the estimate that are reasonably possible could materially impact the financial statements.

Except as otherwise disclosed in "Note 2—Basis of Presentation and Summary of Significant Accounting Policies" of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report and "Management's Discussion and Analysis of Financial Condition and Results of Operations," there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates described in our Annual Report on Form 10-K for the year ended December 31, 2025.

Recent Accounting Pronouncements

See "Note 2—Basis of Presentation and Summary of Significant Accounting Policies" of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report for recently issued accounting pronouncements not yet adopted as of the date of this Quarterly Report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate risk and foreign currency risk.

Interest Rate Risk

The Notes bore interest at a fixed rate. We repaid the $361.0 million aggregate principal amount of the Notes at maturity on August 15, 2026. As of September 30, 2026, no Notes were outstanding, and as of December 31, 2025, $361.0 million aggregate principal amount of the Notes was outstanding.

Borrowings under the Revolving Credit Facility bear interest at variable rates and therefore expose us to interest rate risk. As of September 30, 2026, there were no borrowings outstanding under the Revolving Credit Facility. To the extent we borrow under the Revolving Credit Facility in the future, our interest expense will be sensitive to changes in market interest rates.

Additionally, we are exposed to interest rate risk relating to our investment portfolio. The primary objective of our investment activities from our operating investments is to preserve principal while maximizing income without significantly increasing risk. We do not make investments for trading or speculative purposes. Our portfolio's fair value is relatively insensitive to interest rate changes.

We also earn interest on funds held on behalf of customers that we hold on our condensed consolidated balance sheets as funds held in escrow, including funds in transit. Because these balances are highly liquid, their fair value is relatively insensitive to interest rate changes.

We do not believe that a hypothetical increase or decrease in interest rates of 100 basis points would have a material impact on our operating results or financial condition.

Foreign Currency Risk

Our operating results and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. In addition to the U.S. dollar, we offer clients the option to settle invoices denominated in the U.S. dollar in the following currencies: Euro, British Pound, Australian dollar, Canadian dollar,

Singapore dollar, South African rand, New Zealand dollar, Polish zloty, Swiss franc, Norwegian krone, Danish krone, Swedish krona, Turkish lira, Japanese yen, and Hong Kong dollar. When clients make payments in one of these currencies, we are exposed to foreign currency risk during the period between when payment is made and when the payment amounts settle. To mitigate this risk, we may enter into forward contracts or secure foreign currency exchange rates for certain durations with financial institutions. As such, the impact of foreign currency exchange rate fluctuations on our operating results has been immaterial to date.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (our Principal Executive Officer) and our Chief Financial Officer (our Principal Financial Officer), evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of September 30, 2026.

Our disclosure controls and procedures are designed to ensure that information we are required to disclose in the reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures, and is recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2026, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

We are not a party to any material pending legal proceedings. See “Note 8—Commitments and Contingencies” of the notes to our condensed consolidated financial statements included elsewhere in this Quarterly Report for additional information on our commitments and contingencies.

Item 1A. Risk Factors.

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, as well as the other information in this Quarterly Report, including our condensed 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, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition, and growth prospects. In such an event, the market price of our common stock could decline, and you could lose all or part of your investment. These disclosures reflect our beliefs and opinions as to factors that could materially and adversely affect us and our securities in the future. References to past events are provided by way of example only and are not intended to be a complete listing of such events or a representation as to whether or not such factors or similar events have occurred in the past or their likelihood of occurring in the future.

Summary of Risk Factors

Some of the more material risks that we face include:

- Our growth depends on our ability to attract and retain a community of talent and clients, and the failure to maintain or grow our community of active customers in a cost-effective manner or at all could adversely impact our business, operating results, and financial condition.
- We have experienced growth in recent periods and expect to invest in our growth in the future. If we are unable to maintain similar levels of growth or manage future growth, our business, operating results, and financial condition could be adversely affected.
- We continue to evolve our business strategy, offerings and pricing models, and changes that we make can adversely affect our business and make it difficult to evaluate our future prospects.
- If we are unable to maintain our banking and payment partner relationships on favorable terms, or at all, our business could be adversely affected.
- Our business depends in part on the success of our strategic relationships with third parties and their continued performance.
- We face payment and fraud risks that could adversely impact our business.
- Customers circumvent our platforms and other workforce solutions, which adversely impacts our business.
- Issues relating to artificial intelligence and machine learning could adversely affect our business, operating results, and financial condition.
- We are subject to disputes with or between our customers.
- We face risks related to our international community of customers, which could increase as we seek to expand our international footprint.
- Acquisitions, investments, and other strategic transactions could result in operating difficulties and harm our business.
- If the market for independent talent and the services they offer does not grow, our business, operating results, and financial condition could be adversely affected.

- If we are not able to develop and release new offerings and services or successful enhancements to our existing offerings and services, our business could be adversely affected.
- If internet search engines' methodologies or other channels that we utilize to direct traffic to our websites are modified to our disadvantage, or our search result page rankings decline for other reasons, our customer growth could decline.
- We face intense competition and could lose market share to our competitors, which could adversely affect our business, operating results, and financial condition.
- If we or our third-party partners experience a security breach, other hacking or phishing attack, ransomware or other malware attack, or other privacy or security incident, our platforms and other workforce solutions may be perceived as not being secure, our reputation may be harmed, demand for our offerings may be reduced, our operations may be disrupted, we may incur significant legal costs, fines, or liabilities, and our business could be adversely affected.
- If we fail to maintain and enhance our brands and reputation, our business and financial condition may be adversely affected.
- Business or system errors, defects, or disruptions could diminish demand, adversely impact our business, operating results, and financial condition, and subject us to liability.
- Our business is subject to extensive government regulation and oversight. Any failure to comply with the extensive, complex, overlapping, and frequently changing laws and regulations, both in the United States and internationally, could adversely impact our business, operating results, and financial condition.
- We have a history of net losses, may increase our operating expenses in the future, and may not be able to sustain profitability.
- Our operating results and performance metrics may fluctuate from period to period, which makes our future results difficult to predict.
- The applicability of sales, use, and other tax laws or regulations to our business could subject us or our customers to additional tax liability and related interest and penalties, and adversely impact our business.
- We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics may not accurately reflect certain details of our business, are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.
- The stock price of our common stock has been and may continue to be volatile, and you could lose all or part of your investment.
- We cannot guarantee that the 2026 Share Repurchase Authorization will be fully consummated or that share repurchases will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our common stock and diminish our cash reserves.
- Our indebtedness could limit the cash flow available for our operations, and the restrictive and financial covenants under our Credit Agreement could limit our operational flexibility, exposing us to risks that could adversely affect our business, operating results, and financial condition.
- Adverse or changing economic conditions may negatively impact our business.

Risks Related to Our Business Operations, Execution, and Growth

Our growth depends on our ability to attract and retain a community of talent and clients, and the failure to maintain or grow our community of active customers in a cost-effective manner or at all could adversely impact our business, operating results, and financial condition.

The size of our community of customers, both talent and clients, is critical to our success. Our ability to achieve significant future revenue growth depends, in large part, upon our ability to attract and retain customers.

Clients have diverse options to find and engage service providers, including other online or offline platforms, staffing firms and agencies, by engaging service providers directly, or by hiring temporary, full-time, or part-time employees directly or through an agency. Clients may decrease or cease their use of our platforms and other workforce solutions and our revenue may be adversely impacted for many reasons, including: if we fail to attract and retain talent; if the quality or types of services provided, or the pricing offered, by talent are not satisfactory to clients; or if AI tools provide a suitable replacement for traditional talent tasks. Further, expenditures by clients may be cyclical and may reflect overall macroeconomic conditions or budgeting patterns. For example, GSV and active clients declined during the three and nine months ended September 30, 2026, due to continued challenges in new client acquisition and retention, driven by the evolving impact of AI on certain categories of freelance work, changes in the search engine optimization environment that adversely impacted organic client acquisition, and macroeconomic uncertainty. The loss of a key client could have an adverse effect on our business.

Talent similarly have many different ways of marketing their services, securing clients, and obtaining payments from clients, and the competition from offline and online models is significant. Likewise, there may be impediments to talent who would like to provide services to clients through our platforms and other workforce solutions.

Customers may stop using our platforms and other workforce solutions if the quality of the customer experience or our offerings or services do not meet their expectations or keep pace with the timing or quality of competitive products and services. Customers may also choose to cease using our platforms and other workforce solutions if they perceive that our pricing models are not in line with the value they derive from our offerings. Our efforts to attract and retain customers may not be successful or cost effective, and if customers, particularly significant clients, cease or reduce their use of our offerings and services for any reason, our business, operating results, and financial condition would be adversely affected.

We have experienced growth in recent periods and expect to invest in our growth in the future. If we are unable to maintain similar levels of growth or manage future growth, our business, operating results, and financial condition could be adversely affected.

We have experienced growth in a relatively short period of time and expect to invest in our growth in the future. However, our historical growth should not be considered indicative of our future performance, and there can be no assurance that we will be able to sustain our historical growth rates or that any future investments in growth will be successful or cost-effective. For example, for the three and nine months ended September 30, 2026, GSV decreased 10% and 5%, respectively, as compared to the same periods in 2025 and total revenue decreased 8% and 3% for the three and nine months ended September 30, 2026, compared to the same periods in 2025. Moreover, sustaining our growth in future periods will become more difficult in periods of macroeconomic uncertainty, elevated interest rates, and inflation. To manage any future growth, we must improve our systems, motivate and effectively manage and train our workforce, and successfully manage the risks, challenges, and uncertainties associated with our business. If we are unable to grow successfully without compromising the quality of our offerings or customer experience, or if new systems that we implement to assist in managing our growth do not produce the expected benefits, our business, operating results, and financial condition could be adversely affected.

We continue to evolve our business strategy, offerings and pricing models, and changes that we make can adversely affect our business and make it difficult to evaluate our future prospects.

We continue to evolve our business strategy, offerings, and pricing model, as well as our sales, marketing, and brand positioning efforts. We continuously evaluate and revise our current offerings and pricing model and create and test additional offerings, pricing models, features, and services to serve our

current and prospective customer base. For example, in August 2025, we launched Lifted, our enterprise-focused subsidiary offering a broader range of contingent work solutions for large enterprises.

Changes in our offerings and pricing model and the continued evolution of our business strategy and brand positioning subject us to a number of uncertainties, including our ability to plan for and project future growth and performance. Creating or modifying offerings is expensive and time consuming, diverts the attention of management, and may not be successful or cost-effective to maintain. In addition, we have in the past seen, and may in the future see, unexpected or unintended negative effects as a result of changes to our pricing model, offerings, and sales and marketing efforts, including increased customer dissatisfaction, harm to our reputation, increased circumvention rates, reductions in the number, size, or completion rate of client projects, or a failure to attract and retain customers. Additionally, implementing changes to business strategies could result in furloughs, layoffs, and reductions in force, such as the 2026 Restructuring. If there are unforeseen expenses associated with such realignments in our business strategies, and we incur unanticipated charges or liabilities, then we may not be able to effectively realize the expected cost savings or other benefits of such actions. Any negative impacts resulting from changes to our business strategy, offerings, or pricing model could adversely impact our business, operating results, and financial condition.

If we are unable to maintain our banking and payment partner relationships on favorable terms, or at all, our business could be adversely affected.

We rely on banks and payment partners to provide us with corporate banking services, escrow trust accounts or other regulated accounts, and clearing, processing, and settlement functions for the funding of all transactions on our platforms and disbursement of funds to customers. Our banking and payment partners are critical to our business, and we may not always have sufficient alternative vendors in the event one or more relationships are terminated or interrupted for any reason. This could occur for a number of reasons, including the following:

- our partners may be unable to perform the services we require of them, including meeting processing speed and compliance standards;
- a failure by us to comply with our partners' compliance standards, which could result in increased rates that they charge us or our customers or a reduction or termination in services or benefits that they provide, and any remediation efforts undertaken by us may be costly and time consuming;
- our partners may be subject to investigation, regulatory enforcement, or other proceedings that result in their inability or unwillingness to provide services to us or our unwillingness to continue to partner with them;
- our partners may be unable to effectively accommodate changing service needs; and
- our partners could experience instability, delays, limitations, or closures of their businesses, networks, partners, or systems.

In addition, we may be forced to cease doing business with certain partners if payment laws, regulations, or rules change or are interpreted to make it difficult or impossible for us to comply.

If we are unable to maintain our agreements with current partners on favorable terms or at all, or if we are unable to enter into new agreements with new partners on favorable terms or at all, our ability to collect payments and disburse funds and our business, operating results, and financial condition may be adversely affected.

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

To grow and maintain our business, offerings, and features, we need to continue to establish and maintain relationships with third parties, such as staffing providers, software and technology vendors, including third-party providers of AI technologies, and payment processing and disbursement providers. As our agreements with third-party partners terminate or expire, we may be unable to renew or replace these

agreements on favorable terms or at all. Some of our strategic partners offer, or could offer, competing products and services or also work with our competitors. Moreover, we cannot guarantee that the parties with which we have strategic relationships will continue to offer the services for which we rely on them at economically reasonable terms or at all, maintain compliance with applicable regulations or usage restrictions, or devote the resources necessary to expand our reach, increase our distribution, or support an increased number of customers. If we are unsuccessful in establishing or maintaining our relationships with third parties on favorable terms, these relationships are not successful in improving our business, or one or more of our partners materially changes its business, our business, operating results, and financial condition may be adversely impacted.

We face payment and fraud risks that could adversely impact our business.

Bad actors use increasingly sophisticated methods, including AI, to attempt to engage in unlawful or fraudulent conduct on our platforms. This conduct may include unauthorized or fraudulent acquisition or use of data, money laundering, moving funds to regions or persons restricted by sanctions or export controls, terrorist financing, fraudulent sale of services, bribery, breaches of security, extortion or use of ransomware, distribution or creation of malware or viruses, and piracy or misuse of software and other copyrighted or trademarked content.

Our customer identity verification and authentication and fraud detection controls are complex, require continuous improvement, and may not be effective in detecting and preventing misconduct, including as we expand our AI-enabled products and features. Further, while we take steps to improve our trust and safety program through the use of algorithms and machine learning techniques, any required or inadvertent disclosure of our security techniques or new laws restricting our use of them may make our efforts to prevent fraud or the improper use of our platforms less effective and increase the risk of harm to our customers. If our controls are not effective, any of the following could result, each of which could harm our reputation, divert the attention of management, and adversely impact our business, operating results, and financial condition:

- we may be, and historically have been, held liable for the unauthorized use of credit or debit card details or other payment account information and required to return the funds at issue and pay a chargeback, return, or other fee. If our chargeback or return rate becomes excessive, card networks may require us to pay fines or other fees or engage in costly remediation efforts or cease doing business with us;
- the California Department of Financial Protection and Innovation, which we refer to as the DFPI, or other regulators may require us to hold larger cash reserves or take other action with respect to our internet escrow license or other licensing regimes;
- customers may seek to hold us responsible for losses, lose confidence in and decrease use of our platforms and other workforce solutions, or publicize their negative experiences;
- law enforcement or administrative agencies could seek to hold us responsible for the conduct of or content posted by customers and impose fines and penalties, bring criminal action, or require us to change our business practices, and private actions or public enforcement may increase depending on interpretations of and possible changes to applicable laws;
- we may be subject to additional risk and liability exposure if employees or third-party service providers, including our independent team members, misappropriate or facilitate the fraudulent use of our or customer banking, payment, or other information;
- if talent misstate their qualifications, identity or location, or produce insufficient or defective work product or work product with a harmful effect, clients or other third parties may seek to hold us responsible and may lose confidence in and decrease use of our platforms and other workforce solutions; and
- we may bring, and have in the past brought, claims against clients and other third parties for their misuse of our platforms.

Customers circumvent our platforms and other workforce solutions, which adversely impacts our business.

Our business depends on customers transacting through our platforms and other workforce solutions. Despite our efforts to prevent them from doing so, customers circumvent our platforms and other workforce solutions and engage with or take payment through other means to avoid fees, and it is difficult or impossible to measure the losses associated with circumvention. Enhancements and changes we make to our pricing models, fees, offerings, services, and features may unintentionally cause customers to circumvent our platforms and other workforce solutions. In addition, circumvention is likely to increase during a macroeconomic downturn, as customers may be more cost-sensitive. The loss of revenue associated with circumvention adversely impacts our business, operating results, and financial condition. Moreover, our efforts to reduce circumvention may be costly or disruptive to implement, fail to have the intended effect or have an adverse effect on our brand or customer experience, reduce the attractiveness of our platforms and other workforce solutions, or otherwise harm our business, operating results, and financial condition.

Issues relating to artificial intelligence and machine learning could adversely affect our business, operating results, and financial condition.

We incorporate AI and machine learning technologies across our platforms, offerings, and internal operations and are making further investments in expanding our AI capabilities. In addition, GSV from AI-related work performed on the Upwork Marketplace has increased as demand for AI talent has grown in recent periods. As with many innovations, AI presents new and evolving risks and challenges that could undermine or slow its adoption or cause us to experience brand or reputational harm, competitive harm, legal liability, new or enhanced governmental or regulatory scrutiny, and to incur additional costs to resolve such issues, each of which could adversely impact our business, operating results, and financial condition. For example, AI outputs may be, or alleged to be, deficient, inaccurate, inappropriate, biased, or infringing on the intellectual property rights of third parties. Perceived or actual technical, legal, compliance, privacy, security, ethical, or other issues relating to the use of AI may cause public confidence in AI generally or in our use of AI to be undermined, which could slow our customers' adoption of our offerings, services, and features that use AI or result in a decrease in demand for AI-related work. In addition, the rapid evolution of AI will require significant resources to develop, integrate, and maintain the AI technologies included in our offerings, services, and features in order to remain competitive and to implement these technologies responsibly and minimize unintended or harmful impacts. Moreover, our use of third-party AI technologies and the costs associated with such use, including usage-based pricing, may be higher than anticipated and increase over time. There can be no assurance that the development, deployment, and use of such technologies will be successful or cost effective.

We are subject to disputes with or between our customers.

Disputes sometimes arise between talent and clients, including with respect to service standards, payment, confidentiality, work product, and intellectual property ownership and infringement. If either party believes the contract terms were not met, the service agreements negotiated between our customers and our default terms provide a mechanism for the parties to request assistance from us and, for some contracts, a third-party arbitrator. If customer disputes are not resolved amicably, the parties might escalate to formal proceedings. Given our role in facilitating and supporting customers' interactions, claims may be brought against us directly and talent or clients may bring us into claims filed against each other, particularly when one party is insolvent or facing financial difficulties. We generally disclaim responsibility and liability for disputes between customers; however, we cannot guarantee that these disclaimers will be effective in preventing or limiting our involvement in customer disputes, enforceable, or otherwise effectively prevent us from incurring liability. Disputes with or between customers may become more frequent based on the services offered, such as AI-powered features that automate or facilitate customer activity on our platforms, or conditions outside our control, such as a macroeconomic downturn or actions of bad actors seeking to take advantage of other customers. Such disputes, or any increase in the number of disputes, may adversely affect our business, operating results, and financial condition.

We face risks related to our international community of customers, which could increase as we seek to expand our international footprint.

We have customers located in over 180 countries. Conducting business with an international customer base, engaging talent globally, and expanding our operations internationally subject us to significant challenges, uncertainties, and risks, including:

- varying and overlapping laws and regulations and approaches to enforcement, including with respect to worker classification and data protection and privacy;
- difficulties in, and costs of, establishing local brand recognition, adverse changes in customer sentiment between the United States and other countries, and staffing, managing, and operating international operations or support functions;
- the imposition of taxes on transactions between us and our customers or among our customers, or liability for failing to collect and remit taxes owed by our customers;
- compliance with laws designed to combat money laundering and the financing of terrorist activities;
- tariffs, restrictions or fees applied to service exports and imports, restrictions on foreign investments, sanctions, changes to existing trade arrangements between various countries, and other trade barriers or protection measures;
- geopolitical instability and security risks, such as armed conflict and civil or military unrest, political instability, human rights concerns, terrorist activity, ransomware, and cyberterrorism in countries where we have customers and retaliatory actions that governments may take in response, including the interruption of internet access as a result of any of the foregoing;
- costs of localizing services and business practices, including adding the ability for clients to pay in local currencies or modifying our platforms to offer our websites in local languages;
- changes to laws, regulations, or central bank rules impacting us or our partners that may make payments for services exports more costly, difficult, or impossible to process, or that may reduce the availability of tools like digital wallets and related payment services;
- any unenforceability of contractual provisions designed to protect and mitigate against risks, including terms of service, services agreements, arbitration and class action waiver provisions, disclaimers of warranties, limitations of liabilities, releases of claims, and indemnification provisions;
- economic weakness or currency-related challenges or crises;
- regional or global public health events;
- difficulties in obtaining and protecting our intellectual property rights outside the United States;
- organizing or similar activity by workers, local unions, works councils, or other labor organizations; and
- other risks relating to laws and regulations in jurisdictions outside the United States, as discussed elsewhere in these “Risk Factors.”

These risks may make it costly or difficult for us to conduct or expand our operations internationally, particularly in markets where we have limited experience. If we are unable to manage the complexity of global operations and support an international customer base successfully and in a cost-effective manner, our business, operating results, and financial condition could be adversely affected.

Our business depends largely on our ability to attract and retain talented employees, including senior management and key personnel. If we lose the services of Hayden Brown, our President and Chief Executive Officer, or other members of our senior management team or key personnel, we may not be able to execute on our business strategy.

Our future success depends in large part on our ability to attract, retain, and motivate our senior management and other key personnel. In particular, we are dependent on the services of Hayden Brown, our President and Chief Executive Officer, and our future vision, strategic direction, platforms, offerings, and technology could be compromised if she were to take another position, become ill or incapacitated, or otherwise become unable to serve as our President and Chief Executive Officer.

We face intense competition for qualified personnel from numerous technology companies. We may not be able to retain our current key personnel or attract, train, integrate, or retain other highly skilled personnel in the future and may incur significant costs to do so. Our senior management and other key personnel are all employed on an at-will basis, which means that they could terminate their employment with us at any time, for any reason, and without notice, and we do not maintain any "key-person" life insurance policies. In addition, changes in our management team resulting from the hiring or departure of executives and other personnel changes including reorganizations of reporting lines of our workforce have resulted, and may in the future result, in increased attrition or reduced productivity of our personnel and could negatively impact our ability to attract qualified personnel. Volatility, depreciation, or lack of appreciation in our stock price may also affect our ability to attract and retain key personnel.

If we lose the services of senior management or other key personnel, if our succession plans prove inadequate to ensure business continuity, or if we are unable to retain, attract, train, and integrate the highly skilled personnel we need, our business, operating results, and financial condition could be adversely affected.

Acquisitions, investments, and other strategic transactions could result in operating difficulties and harm our business.

Our business strategy may, from time to time, include business combinations, acquisitions, and dispositions of products, services, technologies, businesses, or other assets, strategic investments, and commercial and strategic partnerships. However, there can be no assurance that we will be successful in identifying, negotiating and consummating strategic transaction opportunities. These transactions, even if undertaken and announced, may not close on the anticipated timeline or at all, including due to challenges in obtaining regulatory or other approvals. In addition, strategic transactions that do close, including Lifted's October 2026 acquisition of WorkMotion Software GmbH, a Germany-based employer-of-record business, may involve significant challenges, uncertainties, and risks, including:

- the potential for our strategic transactions to use cash that we may need in the future to operate our business or result in dilutive issuances of our equity securities or the incurrence of significant indebtedness;
- failure of the strategic transaction to advance our business strategy or realize its anticipated benefits;
- disruptions of our ongoing operations and diversion of management's attention;
- potential exposure to new or incremental risks associated with the acquired businesses or assets, including becoming subject to different laws and regulations or more stringent scrutiny due to the nature or location of the acquired business, products, technologies, or other assets;
- incurring substantial expenses or assuming substantial liabilities, ongoing obligations, or other risks, particularly if we fail to identify or accurately estimate commitments, liabilities, deficiencies, or other risks associated with the acquired businesses or assets;
- difficulties retaining key personnel of the acquired company or integrating acquired operations, products, systems, technologies, and employee cultures;
- potential exposure to adverse tax consequences, substantial depreciation, impairment of goodwill or other intangible assets, or deferred compensation charges; or
- difficulties related to being required to adopt or modify accounting policies.

Strategic transactions are inherently risky, may not be successful, and may harm our business, operating results, and financial condition.

Risks Related to Our Industry, Offerings, and Services

If the market for independent talent and the services they offer does not grow, our business, operating results, and financial condition could be adversely affected.

The Upwork Marketplace connects businesses with on-demand access to highly skilled independent talent worldwide. The market for online independent talent and the services they offer is relatively new, rapidly evolving, and unproven, and it is difficult to predict the size, growth rate, and expansion of this market. Our future success will depend in large part on the continued growth and expansion of this market. The overall demand for independent talent will continue to be impacted by competition in the marketplace, technological developments (including AI), and macroeconomic, geopolitical, legal, and regulatory conditions. In addition, many businesses may be unwilling to engage independent talent for a variety of reasons, including perceived negative connotations with outsourcing work, quality of work, fraud, privacy, or data security concerns, or the rapidly evolving regulation of independent contractor services more generally, as discussed elsewhere in these "Risk Factors." Similarly, with the increased prevalence of remote work and increased flexibility in employment relationships in recent years, more skilled independent talent may choose traditional employment, reducing the number of qualified or desirable talent available on the Upwork Marketplace. If the market for independent talent and the services they offer does not grow, our business, operating results, and financial condition could be adversely affected.

If we are not able to develop and release new offerings and services or successful enhancements to our existing offerings and services, our business could be adversely affected.

The market for contingent work is characterized by rapid technological change, frequent product and service introductions and enhancements, changing customer demands, and evolving industry standards. We invest substantial resources in researching and developing new offerings and services and enhancing our platforms and other workforce solutions by incorporating additional features, improving functionality, modernizing our technology, and adding other improvements to meet our customers' evolving demands in our increasingly highly competitive industry. For example, in August 2026, we launched our Model Context Protocol, which we refer to as MCP, server, allowing clients and talent to direct AI agents to find talent, source opportunities, and help manage work on the Upwork Marketplace from within MCP-compatible AI tools. The success of any enhancements to our platforms and other workforce solutions or any new offerings or services depends on several factors, including overall demand and market acceptance, competitive pricing, adequate quality testing, integration with our platforms and third-party partners' technologies, and timely completion. We cannot be sure that we will succeed in delivering enhancements or any new offerings or services or that any enhancements or new offerings or services will be successful or cost effective. Even if we do introduce new offerings or services, we may experience a decline in revenue from our existing offerings that is not offset by revenue from the new offerings or services, and we may experience unintended negative effects from any modifications to our existing offerings, services, and features, including reduced client spend, diminished fill rates for client projects, errors and disruptions on our platforms, and customer dissatisfaction.

If internet search engines' methodologies or other channels that we utilize to direct traffic to our websites are modified to our disadvantage, or our search result page rankings decline for other reasons, our customer growth could decline.

We depend in part on internet search engines and other channels to direct a significant amount of traffic to our websites and mobile applications. Our ability to maintain the number of visitors directed to our websites and mobile applications is not entirely within our control. For example, our competitors' search engine optimization and other efforts such as paid search may result in their websites receiving a higher search result page ranking than ours, or we may make changes to our websites or mobile applications that adversely impact our search engine optimization rankings and traffic to comply with requirements imposed by regulators, our vendors or third-party partners, or for other reasons. As a result, links to our

websites may not be prominent enough to drive sufficient traffic to our websites, and we may not be able to influence search engine results.

In addition, search engines and other channels that we use to drive customers to our websites and mobile applications periodically change their algorithms, policies, and technologies, sometimes in ways that cause traffic to our websites and mobile applications to decline. These changes can also result in an interruption in customers' ability to access our websites or a misunderstanding among potential customers regarding the functionalities or purposes of our platforms. We may also be forced to significantly increase marketing expenditures in the event that market prices for online advertising and paid listings escalate or our organic ranking decreases. For example, AI-generated search alternatives and AI-related and other changes to search engine results pages have emerged recently, affecting new customer acquisition and resulting in changes to our customer acquisition strategy. Any of these changes could have an adverse impact on our customer acquisition, business, operating results, and financial condition.

We face intense competition and could lose market share to our competitors, which could adversely affect our business, operating results, and financial condition.

The market for performing work is highly competitive, rapidly evolving, fragmented, and subject to changing technology, shifting needs, and frequent introductions of new competitors as well as new offerings and services. We compete with a number of online and offline platforms and services domestically and internationally, as well as traditional staffing firms. Our main competitors fall into the following categories:

- traditional contingent workforce and staffing service providers and other outsourcing providers, such as The Adecco Group, Randstad, Recruit, Allegis Group, and Robert Half International;
- online freelancer platforms that serve either a diverse range of skill categories, such as Fiverr, Guru, and Freelancer.com, or specific skill categories;
- companies offering AI agents and tools that automate specific job functions, workflows, or knowledge work tasks;
- other online providers of products and services for individuals or businesses seeking work or to advertise their services, including personal and professional social networks, employment marketplaces, platforms providing compliance services, recruiting websites, and project-based deliverable providers;
- software and business services companies focused on talent acquisition, management, invoicing, or staffing management products and services;
- payment businesses that can facilitate payments to and from businesses and service providers;
- businesses that provide specialized professional services, including consulting, accounting, marketing, and information technology services; and
- online and offline job boards, classified ads, and other traditional means of finding work and service providers.

In addition, well-established internet companies, social media platforms, and businesses that operate driving, delivery, and other commoditized marketplaces have entered or may decide to enter our market segment.

We also compete with companies that utilize emerging technologies and assets, such as AI and machine learning, blockchain, augmented reality, and cryptocurrency, to connect businesses with service providers or otherwise change the way that businesses engage or pay service providers or that service providers perform work.

Internationally, we compete against localized competitors that have greater brand recognition in other countries and a stronger understanding of local or regional culture and commerce. Some competitors also offer their products and services in local languages and currencies that we do not offer.

Many of our current and potential competitors enjoy substantial competitive advantages, such as: greater name recognition and brand reputation; pre-existing relationships with desirable clients; more experience with international operations and localization of their offerings; longer operating histories; greater financial, technical, and other resources; more customers; newer technologies; and, in some cases, the ability to rapidly combine online platforms with traditional staffing and contingent worker solutions. These companies may use these advantages to offer products and services similar to ours at a lower price, develop competitive products, or respond more quickly and effectively than we do to new or changing opportunities, technologies, standards, regulatory conditions, or customer preferences or requirements. In addition, in developing technology markets subject to dynamic and rapid technological change, varied business models, and frequent disruption by innovative online and offline entrants, businesses can easily and quickly launch online or mobile platforms and applications at nominal cost by using commercially available software or partnering with various established companies. For all of these reasons, we may not be able to compete successfully against our current and future competitors, in which case our business, operating results, and financial condition would be adversely impacted.

If we or our third-party partners experience a security breach, other hacking or phishing attack, ransomware or other malware attack, or other privacy or security incident, our platforms and other workforce solutions may be perceived as not being secure, our reputation may be harmed, demand for our offerings may be reduced, our operations may be disrupted, we may incur significant legal costs, fines, or liabilities, and our business could be adversely affected.

Our business involves the storage, processing, and transmission of customers' proprietary, confidential, and personal information by us and our third-party partners and vendors. Our third-party partners and vendors also process certain proprietary and confidential information relating to our business and personal information of our personnel. Our systems, and the systems of our vendors and third-party partners, may be vulnerable to privacy or security incidents, such as computer viruses and other malicious software, physical or electronic break-ins, or vulnerabilities resulting from intentional or unintentional service provider actions, and similar disruptions that could make all or portions of our websites or applications unavailable for periods of time. Additionally, ransomware or other malware, viruses, social engineering (including business email compromise and related wire-transfer fraud), impersonation of our company and executives on social media, and general hacking in our industry have become more prevalent and more complex. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not foreseeable or recognized until launched against a target, we and our vendors and third-party partners may be unable to anticipate incidents or to implement adequate preventative measures. Data security breaches and other privacy and security incidents may also result from non-technical means, such as actions taken by employees or other service providers.

Any privacy or security incident experienced by us, our vendors, or our third-party partners could result in: unauthorized access to, misuse of, or unauthorized acquisition of our, our personnel's, or our customers' data; the loss, corruption, or alteration of data; interruptions in our operations; or damage to our computers or systems or those of our customers. Any of these could expose us to claims, litigation, fines, enforcement actions, other potential liability, and reputational harm. In addition, significant unavailability of our platforms and other workforce solutions due to security breaches or other privacy and security incidents could cause customers to decrease or cease their use of our platforms and other workforce solutions. Any of these effects could adversely impact our business, operating results, and financial condition.

We may also need to expend significant resources to protect against or remediate security breaches and other incidents. We cannot be certain that our cyber liability insurance coverage will extend to or be adequate for liabilities actually incurred, or that insurance will continue to be available to us on economically reasonable terms, at coverage limits we deem prudent, or at all.

Depending on the nature of the information compromised, in the event of a security breach or other privacy or security incident, we may also have obligations to notify affected individuals and entities and regulators and provide remedy, such as credit monitoring services. We may also face significant fines,

reimbursement obligations, or class-action settlements (including under the California Consumer Privacy Act of 2018, which we refer to as the CCPA). Breach notification laws continue to evolve and may be inconsistent between jurisdictions. Complying with these obligations could cause us to incur substantial costs and harm our reputation.

If we fail to maintain and enhance our brands and reputation, our business and financial condition may be adversely affected.

The awareness and integrity of our brands and reputation are important to achieving widespread acceptance and use of our platforms and other workforce solutions and attracting and retaining customers. Successful and efficient promotion and positioning of our brands and businesses depend on, among other things, the effectiveness of our marketing efforts and brand messaging and our ability to provide reliable, trustworthy, and useful platforms and other workforce solutions at competitive prices. Our marketing programs may not be successful or cost effective, particularly during early phases of new offerings or expansion into new segments or lines of business, such as the launch of Lifted. Additionally, as more jurisdictions adopt expansive data privacy regulations, an increasing number of customers and website visitors will have the right to opt-out of sharing their personal information for purposes of specific types of online advertising. This may lead to diminished efficacy of our marketing and brand positioning efforts, diminished visitor-to-customer conversions, and increased costs of maintaining compliance. Further, any negative publicity and news coverage relating to us, fraud or other illegal activity conducted by bad actors on our platforms or other workforce solutions, or decisions we make relating to geopolitical or social matters may undermine our brand promotion efforts or harm our reputation. If we fail to promote and maintain our brands successfully, our business, operating results, and financial condition may be adversely affected.

Business or system errors, defects, or disruptions could diminish demand, adversely impact our business, operating results, and financial condition, and subject us to liability.

Our systems and operations and those of our customers and third-party service providers and partners have experienced from time to time, and may experience in the future, errors, defects, and disruptions from a variety of causes, including undetected hardware and software errors or defects, natural disasters such as an earthquake, blizzard, hurricane, fire, or flood, and other catastrophic events, including public health events and pandemics, man-made problems such as warfare or terrorism, human error, cybersecurity attacks, power losses, telecommunications or other technological failures, and similar events or circumstances. In particular, catastrophic events in geographical areas where our employees or customers are concentrated could have more severe impacts on our business, and the effects of climate change may increase the frequency and intensity of such events. For example, our corporate headquarters and many key personnel are located in the San Francisco Bay Area, a region known for seismic activity and catastrophic fires.

As we expand, we will need an increasing amount of technical infrastructure and continued infrastructure modernization, including network capacity, computing power, and improvements to how we process and store data and transaction information. We also rely on third-party service providers and infrastructure, including the internet, to provide our platforms and other workforce solutions. For example, we currently host the Upwork Marketplace, serve its customers, and support its operations using AWS, a provider of cloud infrastructure services. We do not have control over the operations or the facilities of our third-party service providers, which are subject to risks of errors, defects, and disruptions. In addition, these third parties generally do not have an obligation to renew their agreements with us on commercially reasonable terms, or at all, and we may not be able to switch to another third-party service provider easily or without incremental costs. Any interruption in the provision of services to us by these third parties for any reason or other unanticipated problems could result in interruptions to our platforms and other workforce solutions, and our and these third parties' business continuity and disaster recovery plans may prove to be inadequate.

Our platforms enable customers to manage important aspects of their businesses, and any errors, defects, disruptions in service, or other performance or availability problems with our platforms or other workforce solutions, or our inability to adequately prevent or timely detect or remedy errors, defects, or

disruptions in service, could harm our brands and reputation, result in security breaches or the loss of critical data, adversely impact our business and our customers, impair or jeopardize our partner relationships, result in delays in invoicing of clients or payment to us or talent, negatively impact our ability to obtain or maintain important licenses, or result in claims by customers for losses sustained by them or investigation or corrective action by regulatory agencies. In any such event, we may expend additional resources to attempt to resolve the issue. Moreover, we may not carry sufficient business interruption insurance to cover losses that may occur as a result of any such events, and we cannot be certain that insurance will continue to be available to us on economically reasonable terms, or at all. Accordingly, any errors, defects, or disruptions in our platforms or other workforce solutions could diminish demand, subject us to liability, and adversely impact our business, operating results, and financial condition.

Our ability to attract and retain customers depends in part on the quality of our customer support, and any failure to offer high-quality support could adversely impact our business, operating results, and financial condition.

Our ability to attract and retain customers is dependent in part on the ease of use, trustworthiness, and reliability of our platforms and other workforce solutions, including our ability to provide high-quality support. Our customers depend on our support organization to enforce our terms of service against bad actors, resolve any issues relating to our platforms and other workforce solutions, communicate effectively about their accounts, and assist in their use of our platforms and other workforce solutions, especially large clients, which expect higher levels of support. In addition, customers of our Enterprise business's Managed Services offering depend on its support organization to manage their projects and reach satisfactory project outcomes. Our ability to provide effective support is largely dependent on our ability to attract, resource, and retain service providers who are both qualified and well versed in our business. The incorporation of AI into our support tools, either by us or our third-party support partners, may lead to inconsistent quality of experience as these tools are integrated and refined. As we seek to continue to grow our international customer base, our support organization will face additional challenges, including those associated with delivering support and documentation in additional languages. Any failure to maintain high-quality support or effectively communicate with our customers, or any market perception that we do not maintain high-quality support or act professionally, fairly, or effectively in our communications and actions, could harm our reputation and customer demand, and adversely impact our business, operating results, and financial condition.

Our customer growth and engagement on mobile devices depend upon third parties maintaining open application marketplaces and effective operation with mobile operating systems, networks, and standards that we do not control.

A significant and growing portion of our customers access our platforms through mobile devices and applications. Our mobile applications rely on third-party open application store platforms, including the Apple App Store and Google Play, which may change their policies, impose additional fees or requirements to support our applications, or stop supporting our applications altogether. These changes may increase our costs or adversely affect customer experience. Additionally, mobile operating systems, such as Android and iOS, could stop supporting our platforms or the ability to make payments on our platforms at all or on commercially reasonable terms or make changes that degrade the customer experience on our platforms. To deliver high-quality mobile offerings, it is important that our offerings are designed effectively and work well with a range of mobile devices, technologies, systems, networks, and standards that are beyond our control. In the event that it is inconvenient or impossible for our customers to access and use our platforms on their mobile devices or our competitors develop offerings and services that are perceived to operate more effectively on mobile devices, our business, operating results, and financial condition could be adversely impacted.

Risks Related to Legal and Regulatory Matters

Our business is subject to extensive government regulation and oversight. Any failure to comply with the extensive, complex, overlapping, and frequently changing laws and regulations, both in

the United States and internationally, could adversely impact our business, operating results, and financial condition.

We and our customers are subject to a wide variety of foreign and domestic laws and regulations governing issues that may affect our business, including worker classification, employment, worker health, payments, worker confidentiality obligations and whistleblowing, intellectual property, consumer protection, taxation, privacy, and data security. These laws and regulations are often complex and subject to varying and evolving interpretations, resulting in shifting enforcement and application over time. Many of these laws were adopted prior to certain technological developments and do not contemplate or address the unique issues of such technologies. At the same time, regulatory scrutiny on large companies, technology companies, and companies engaged in dealings with independent contractors, payments, or personal information and data has increased significantly and may continue to increase.

New and existing laws and regulations (or changes in interpretation of existing laws and regulations) may be adopted, implemented, or interpreted to apply to our business or our customers, including as a result of new lines of business, products or features we may introduce or international expansion of our business. In addition, these laws and regulations affect our customers and may affect demand for our platforms and other workforce solutions. If we determine additional legal or regulatory requirements apply to our business, we may expend resources to comply or obtain licenses, and such efforts may delay the launch of new offerings or features, distract management, or require adverse changes to the manner in which we conduct our business and may themselves cause regulatory agencies to scrutinize our business, including past practices. It is also possible that certain provisions in agreements with our customers or service providers, or between talent and clients, or the fees we charge, may be found to be unenforceable or not compliant with applicable law.

In addition, because our websites are generally accessible by customers worldwide, we have received and may continue to receive notices from jurisdictions claiming that we or our customers are required to comply with their laws and regulations. Laws and regulations outside of the United States that could be interpreted to apply to our business often provide greater rights to competitors, customers, and other third parties than those in the United States. Compliance with international laws and regulations may be more costly than expected, may require us to change our business practices or restrict or modify our offerings or obtain certain licenses, and such changes or licensure may not be possible on a reasonable timeline or at all. As a result, the imposition of any such laws or regulations on us, our customers, or third parties that we or our customers utilize to provide or use our services, may adversely impact our business, operating results, and financial condition. In addition, we may be subject to multiple complex overlapping legal or regulatory regimes that impose conflicting requirements, including with respect to data protection and privacy, which could lead to additional compliance costs and enhanced legal risks.

Although we have implemented policies and procedures designed to analyze and support compliance with applicable laws and regulations, there can be no assurance that we will maintain compliance, that our interpretations are or will remain correct, or that all of our employees, contractors, partners, customers, and agents will comply. We have in the past been, and may in the future be, subject to administrative inquiries and audits concerning our compliance with applicable laws and regulations, including the taxation and classification of our workers and customers. Any failure or alleged failure by us or our employees, contractors, partners, customers, or agents to comply with applicable laws and regulations creates risk for our business and our employees, partners, contractors, and customers and could result in enforcement actions or other proceedings, criminal or civil fines and penalties or other actions, civil lawsuits, forfeiture of significant assets, the limitation or suspension of our ability to operate our business or certain services in a particular jurisdiction, damages, interest, loss of export privileges, costs and fees (including legal fees), injunctions, loss of intellectual property rights, whistleblower complaints, termination of agreements by our partners, the diversion of management's attention and resources, or reputational harm and adverse media coverage. Certain of these claims may not be covered by our insurance, and we cannot be certain that our insurance coverage will cover liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Any of the foregoing could, individually or in the aggregate, harm our reputation, reduce demand for our platforms and other workforce solutions, and adversely affect our business, operating results, and

financial condition, and we could be required to make costly and burdensome changes to our business practices or compliance programs.

Worker Classification

Our clients are generally responsible for properly classifying the talent they engage through the Upwork Marketplace. Some clients opt to classify talent as employees for certain work, while talent in many other cases are classified as independent contractors. We also use the Upwork Marketplace to find and engage talent to provide services for us and for our outcomes-based delivery offerings, which may result in disputes or claims from such talent arising from the services performed or the working relationship.

We offer an optional service to customers of our premium offerings where Lifted helps classify talent as employees of its subsidiaries or third-party staffing providers or as independent contractors. For clients of these services, subject to applicable law and the terms of our agreement with the client, we indemnify clients from misclassification risk and make certain warranties to the client, such as to compliance with applicable laws. In addition, we offer other premium offerings where we provide increased assistance to customers to find and contract with one another, which could increase employment-related risks. The failure of staffing providers that employ talent classified as employees to comply with all legal and tax requirements could adversely affect our business.

There is significant uncertainty and unpredictability in the worker classification regulatory landscape and the application of worker classification laws, which are highly fact-sensitive, subject to divergent interpretations by various authorities, and regularly subject to further regulation, amendment, or re-interpretation. As a result, there is risk to us and our customers that independent contractors could be deemed to be misclassified under applicable law, including as a result of changes in our offerings, such as the use of AI on our platforms and other workforce solutions, or brand positioning that we may introduce. For example, in California, Assembly Bill 5 is widely viewed as expanding the scope of the definition of “employee” for most purposes under California law. Despite subsequent amendments, exemptions, litigation, and enforcement activity, uncertainty remains regarding its application to certain business models, including marketplace and managed-service arrangements. Further, in January 2024, the U.S. Department of Labor published a final rule regarding the classification of workers as independent contractors or employees under the Fair Labor Standards Act. In February 2026, the U.S. Department of Labor released a Notice of Proposed Rulemaking proposing to rescind and replace the 2024 final rule. Other federal agencies, U.S. states, or jurisdictions outside the United States may enact similar legislation or rules. Disparate standards that may apply in private litigation, under state and federal law, and in jurisdictions outside the United States, together with continued regulatory uncertainty, may contribute to confusion and complicate compliance efforts for our customers.

Even if any new regulations do not directly impact our business, public perception may result in confusion about the standards to be applied when making an employment determination and cause clients to explore alternative arrangements to meet their talent needs. In addition, any developments or changes in the regulatory environment impacting worker classification and independent contractors may reduce the demand for independent contractors in one or more jurisdictions and have an adverse effect on our business, operating results, and financial condition.

Privacy and Data Protection

We receive, collect, store, process, transfer, and use personal information and other customer data. There are numerous federal, state, local, and international laws and regulations regarding privacy, data protection, information security, and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other data. We are also subject to the terms of our privacy policies and legal and contractual obligations to third parties related to privacy, data protection, and information security. The regulatory framework for privacy and data protection worldwide is uncertain and complex, and it is possible that the laws and regulations may be interpreted and applied in a manner that we do not anticipate, that is inconsistent from one jurisdiction to another, or that conflicts with other rules or our practices.

We expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, automated processing, and information security. For example, Europe's General Data Protection Regulation, which we refer to as the GDPR, the UK General Data Protection Regulation, and Europe's Digital Services Act impose stringent data protection and data handling compliance requirements and provide for significant penalties for noncompliance. In California, the CCPA, as amended by the California Privacy Rights Act, requires, among other things, covered companies to provide certain disclosures to California consumers and affords such consumers certain rights, including the right to opt-out of certain sales of personal data. The CCPA also provides for civil penalties for violations as well as a private right of action for data breaches that may increase data breach litigation. A growing number of U.S. states have enacted similar or other data protection legislation that has or will go into staggered effect in the near future, and several other states and countries are considering expanding or passing privacy laws in the near term.

The enactment of more restrictive laws, rules, or regulations, the loss of existing cross-border data transfer frameworks such as the EU-US Data Privacy Framework, or future enforcement actions or investigations could increase our costs, require us to materially modify our services and features, which we may be unable to complete in a cost-effective manner, or at all, and may limit our ability to store and process customer data or develop new services and features, any of which could adversely impact our business, operating results, and financial condition.

Artificial Intelligence

The legal and regulatory landscape surrounding AI technologies is rapidly evolving and uncertain, including in the areas of consumer protection, intellectual property, cybersecurity, privacy and data protection, legal responsibility for actions taken by an AI agent without a user's explicit direction, and worker classification. Compliance with new and emerging laws, regulations, and industry standards relating to AI in the United States and internationally, such as U.S. state regulations and the E.U. AI Act, may impose significant operational costs and may limit our, our vendors', or our customers' ability to develop, deploy, or use existing or future AI technologies, products, and features. Furthermore, the interplay between AI laws and regulations and those governing data protection is complex, jurisdiction-specific, and continuing to evolve. Our use of data, including customer data, in connection with developing, training, or improving our AI technologies may be subject to evolving legal requirements and customer expectations, and any perceived or actual misuse of such data could result in reputational harm, reduced customer trust, regulatory scrutiny, or legal liability. As a result, our ability to adapt our existing platforms and offerings or develop new offerings, services, and features using AI may be limited or restricted, third-party providers of AI technologies may limit, restrict, or terminate our access to or use of their offerings or impose more restrictive terms, and demand for AI-related work may decline, which could adversely impact our business, operating results, and financial condition.

Payments

We maintain a subsidiary licensed as an internet escrow agent under California's Escrow Law that is subject to regulations applicable to internet escrow agents promulgated by the DFPI. Although we believe that our operations comply with existing U.S. federal, state, and international laws and regulatory requirements related to escrow, generating interest from customer funds held in escrow, money transmission, and the handling or moving of money, developments in the laws and regulations or their interpretations, and changes in our operations and offerings may result in the application of new or different regulatory requirements to our business. As a result, we could be required, or choose, to become licensed as an escrow agent or a money transmitter (or other similar licensee) in other states or jurisdictions or as a money services business. It is also possible that we could become subject to regulatory enforcement or other proceedings in states or other jurisdictions with escrow, money transmission, electronic money, or other similar statutes or regulatory requirements related to the handling, storing, or moving of money, and such risk may increase if we are required or choose to pursue additional or different licenses, which could in turn have a significant impact on our business. We may also be required, or choose, to become licensed as a payment institution (or obtain a similar license)

under the European Payment Services Directive or other international laws and regulations or may choose to obtain such a license even if not required or to support new products or services.

Any developments in the laws or regulations related to escrow, money transmission, or the handling, storing, or moving of money; material changes to the mandate, purview or regulatory approach at the DFPI; or increased scrutiny of our business may lead to additional compliance costs and administrative overhead. Moreover, to the extent that holding or pursuing escrow, money transmitter, or similar licenses involves complying with other regulatory frameworks, such as GDPR or CCPA, we may experience increased enforcement or other proceedings.

Anti-Corruption, Anti-Money Laundering, and Sanctions

We have voluntarily implemented an anti-money laundering compliance program designed to address the risk of our platforms and other workforce solutions being used to facilitate money laundering, terrorist financing, or other illegal activity. However, our program may not be sufficient to prevent our platforms and other workforce solutions from being used to improperly move money or may not satisfy the expectations of our partners or regulators.

We also have policies, procedures, and technology designed to allow us to comply with U.S. economic sanctions laws and prevent our platforms and other workforce solutions from being used to facilitate business in countries, regions, or with persons or entities included on designated lists promulgated by the U.S. Department of the Treasury's Office of Foreign Assets Control, which we refer to as OFAC, and equivalent foreign authorities. Our efforts to comply with OFAC regulations may not be effective, our partners or regulators may determine they are insufficient, or we may be required to comply with new sanctions laws and regulations, which may require us to further revise or expand our compliance program. Given the technical limitations in developing controls to prevent, among other things, the ability of customers to publish on our platforms false or deliberately misleading information or to develop sanctions-evasion methods, it is possible that we may inadvertently and unknowingly provide services to individuals or entities that are subject to sanctions or are located in a country subject to an embargo.

We are also subject to the U.S. Foreign Corrupt Practices Act, which we refer to as the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and the UK Bribery Act 2010, and may be subject to other anti-bribery laws in countries in which we conduct activities or have customers. We face significant risks if we fail to comply with the FCPA and other anti-corruption laws. Local customs in international jurisdictions may involve practices that are prohibited by the FCPA or other applicable laws and regulations. We may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities, and we may be held liable for the corrupt or other illegal activities of third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we prohibit or do not explicitly authorize such activities. We have implemented an anti-corruption compliance policy, but we cannot ensure that all of our employees, contractors, customers, and agents will comply with our policy and applicable law, for which we may be ultimately held responsible.

Even if we maintain proper controls and remain in compliance with applicable anti-corruption, anti-money laundering, and sanctions laws or regulations, should any of our competitors not implement sufficient controls and be found to have violated such laws or regulations, customer perception of contingent work platforms in general may decrease and our business, operating results, and financial condition may be adversely affected.

Export Controls

We may be subject to export controls and similar regulations that prohibit the shipment or provision of certain products and services to certain countries, governments, and persons, and new export controls and similar regulations are promulgated from time to time. While we take precautions to prevent aspects of our platforms from being exported in violation of export controls, we cannot guarantee that these precautions will prevent violations of export controls and similar regulations. In addition, our customers may be subject to export control laws, and any violations by our customers could harm our reputation and they could seek to hold us responsible for any monetary losses.

In addition, various countries regulate the import and export of certain encryption and other technology, including imposing import and export permitting and licensing requirements, and have enacted and may enact laws that could limit our ability to distribute aspects of our platforms or could limit our customers' ability to access our platforms in those countries. Any change in import or export regulations or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could result in decreased use of our platforms and other workforce solutions by customers with international operations and adversely impact our business, operating results, and financial condition.

We are vulnerable to intellectual property infringement claims and challenges to our intellectual property rights brought against us by third parties.

We operate in a highly competitive industry, and there has been considerable activity in our industry to develop and enforce intellectual property rights. Intellectual property infringement claims against us or our customers or third-party partners could result in monetary liability or a material disruption to our business. We cannot be certain that aspects of our platforms and other workforce solutions, content, and brand names do not or will not infringe valid patents, trademarks, copyrights, or other intellectual property rights held by third parties, including our competitors. Also, we are in the ordinary course of our business subject to legal proceedings and claims relating to the intellectual property of others, including our competitors. The likelihood of intellectual property-related litigation and disputes may increase as platforms like ours gain more prominence. In addition, the improper use of AI by customers may lead to additional claims of intellectual property infringement. Our competitors and other third parties have in the past challenged, and may in the future challenge, our registration or use of our trademarks, including "Upwork," and other intellectual property rights, and such a challenge, even if unsuccessful, could adversely affect our brands and business. We may also be obligated to indemnify certain clients or strategic partners or others in connection with such infringement claims, or to obtain licenses from third parties.

Any litigation or other disputes relating to allegations of intellectual property infringement could divert management attention and resources, subject us to significant legal costs and liability for damages or new licenses, invalidate our proprietary rights, or require us to alter our platforms, marketing strategy or other aspects of our business.

Failure to protect our intellectual property could adversely affect our business.

Our success depends in large part on our proprietary technology and data. We rely on various intellectual property rights, including patents, copyrights, trademarks, and trade secrets, as well as confidentiality provisions and contractual arrangements, to protect our proprietary rights and prevent third parties from infringing upon or misappropriating our intellectual property, copying our platforms and other workforce solutions, and using information that we regard as proprietary to create products and services that compete with ours. Despite the precautions that we take, our intellectual property is vulnerable to unauthorized access through employee or third-party error or actions, theft, cybersecurity incidents, private or public economic espionage, and other security breaches and incidents.

We may not pursue or file patent applications or apply for registration of copyrights or trademarks in the United States and foreign jurisdictions in which we have an online presence with respect to our potentially patentable inventions, works of authorship, and marks and logos for a variety of reasons, including the cost or ability to procure such rights and the uncertainty involved in obtaining adequate protection. In addition, the applications for patents or for registration of copyrights or trademarks that we do pursue or file may not be successful and we may be required to change how we market any impacted offerings. Moreover, changes to intellectual property laws and regulations, including U.S. and foreign patent or trademark law, may affect our ability to protect and enforce our intellectual property rights or defend against or offensively assert infringement claims.

The laws of some countries do not provide the same level of protection for our intellectual property as the laws of the United States, and effective intellectual property protection may not be available to us in every country in which our platforms and other workforce solutions are available. In addition, many countries limit the enforceability of patents or other intellectual property rights against certain third parties, including government agencies or government contractors. Further, certain countries impose additional conditions

on the transfer of intellectual property rights from individuals to companies, which may make it more difficult for us to secure and maintain intellectual property protection.

We also rely on trade secrets as an important aspect of our intellectual property program and to cover much of our technology and know-how. We seek to protect our trade secrets and obtain rights in intellectual property developed by service providers through confidentiality and invention assignment or intellectual property ownership agreements with our employees, contractors, and other parties, as well as through implementing acceptable use policies, limiting access to our information and data through technological means, and monitoring and limiting the dissemination of our information and data outside of company-owned information systems. These agreements and terms may not be enforceable or compliant with applicable law, and these agreements and other measures may not effectively protect our trade secrets and intellectual property rights. Most of our employees and all of the contractors with which we work are remote, which may make it more difficult to control use of confidential materials, increasing the risk that our source code or other confidential or trade secret information may be exposed.

If we do not protect and enforce our intellectual property rights or our proprietary technology and data successfully or cost-effectively, our competitive position and brand may suffer, which would adversely impact our business, operating results, and financial condition.

The use of open source software could restrict our ability to market or operate our platforms and could negatively affect our business.

Our platforms incorporate certain open source software. An open source license typically permits the use, modification, and distribution of software in source code form subject to certain conditions. These conditions may require that any person who distributes a modification or derivative work of open source software make the modified version subject to the same open source license. This could lead to a requirement that certain aspects of our platforms be distributed or made available in source code form. Although we do not believe that we have used open source software in such a manner, the interpretation of open source licenses is complex and, despite our efforts, it is possible that we may be liable for copyright infringement, breach of contract, or other claims if our use of open source software is found non-compliant with the applicable open source licenses.

Moreover, we cannot ensure that our processes for controlling our use of open source software in our platforms will be effective. If we have not complied with the terms of an applicable open source software license, we may need to seek licenses from third parties to continue offering a platform and the terms on which such licenses are available may not be economically feasible, and we may be required to re-engineer a platform to remove or replace the open source software, discontinue offering the platform, pay monetary damages, or make available the source code for aspects of our proprietary technology, any of which could adversely affect our business, operating results, and financial condition.

In addition, the use of open source software can involve greater risks and require greater efforts to ensure legal and regulatory compliance compared to the use of third-party commercial software, as open source licensors generally do not provide warranties or assurances of title, performance, or non-infringement, nor do they control the origin of the software. There is typically no support available for open source software and no assurance that updates will be made to address security risks. Many of the risks associated with the use of open source software cannot be eliminated and could negatively affect our business.

Litigation could have a material adverse impact on our operating results and financial condition.

From time to time, we are involved in litigation and other legal proceedings and make and receive demands and claims threatening possible legal proceedings. The outcome of any litigation or other legal proceeding (including class actions and individual lawsuits or arbitration), regardless of its merits, is inherently uncertain. Regardless of the merits or ultimate outcome of any claims, pending or future legal proceedings could result in a diversion of management's attention and resources and reputational harm and cause us to incur significant expenses and liabilities. We may determine that the most cost-effective and efficient way to resolve a dispute is via settlement, and terms of any settlement agreements are increasingly limited by legislation. Where we can make a reasonable estimate of the liability relating to a pending proceeding and determine that it is probable, we record a related liability. As additional

information becomes available, we assess the potential liability and revise estimates as appropriate. However, the amount of our estimates could be incorrect. In addition, while we maintain insurance with respect to many claims, certain claims may not be covered by our insurance, and there can be no assurance that our insurance will cover liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all.

In particular, Lifted's Enterprise offerings include its subsidiaries employing talent on a temporary basis and placing such individuals in clients' workplaces. Lifted and its subsidiaries' ability to control the workplace environment is limited. As the employer of record of temporary employees, Lifted subsidiaries incur a risk of liability to their temporary employees for various workplace events, including claims of physical injury, discrimination, harassment, or failure to protect confidential personal information. In addition, the talent engaged through Lifted may access client workspaces from their personal devices through cloud-based systems. If cybersecurity incidents were to occur as a result, Lifted may face legal and contractual liability, reputational damage, loss of business, and other expenses. Lifted also incurs a risk of liability to clients resulting from allegations of damages caused by talent acting on phishing emails, cyberattacks, and other errors, omissions, or theft, or allegations of compromise of client confidential information. In some cases, Lifted or a Lifted subsidiary has agreed to indemnify clients in respect of these types of claims.

Any adverse determination related to a legal proceeding or adverse terms contained in a settlement agreement could require us to change our technology or our business practices in costly ways, prevent us from offering certain offerings or services, require us to pay monetary damages, fines, or penalties, or require us to enter into royalty or licensing arrangements, and could adversely affect our reputation, business, operating results, and financial condition.

If we are deemed to be an investment company under the Investment Company Act of 1940, our results of operations could be harmed.

Under Sections 3(a)(1)(A) and (C) of the Investment Company Act of 1940, as amended, which we refer to as the Investment Company Act, absent an applicable exemption, a company generally will be deemed to be an "investment company" for purposes of the Investment Company Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of these sections of the Investment Company Act, including as a result of both the exemption set forth in Section 3(b)(1) of the Investment Company Act and the safe harbor set forth in Rule 3a-8 of the Investment Company Act. Section 3(b)(1) of the Investment Company Act provides that a company that would otherwise fit within the definition of an "investment company" under Section 3(a)(1)(C) of the Investment Company Act will not be required to register as an "investment company" if "it is primarily engaged, directly or through a wholly owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities." We believe that we are and hold ourselves out as being engaged primarily in the operation of an online work marketplace, and our historical development, public representations of policy, the activity of our officers and directors, the nature of our present assets, the sources of our present income, and the public perception of the nature of our business all support the conclusion that we are an operating company and not an investment company. Rule 3a-8 under the Investment Company Act provides a nonexclusive safe harbor from the definition of "investment company" for certain research and development companies. We are currently a research and development company and comply with the safe harbor requirements of Rule 3a-8 under the Investment Company Act. As set forth above, we currently conduct, and intend to continue to conduct, our operations so that neither we, nor any of our subsidiaries, is required to register as an "investment company" under the Investment Company Act. If we were obligated to register as an "investment company," we would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things, limitations on capital structure, restrictions on specified investments, prohibitions on transactions with affiliates, and compliance with reporting, record

keeping, voting, proxy disclosure and other rules and regulations that would increase our operating and compliance costs, could make it impractical for us to continue our business as contemplated, and could have a material adverse effect on our business.

Risks Related to Finance, Accounting, and Tax Matters

We have a history of net losses, may increase our operating expenses in the future, and may not be able to sustain profitability.

We have incurred net losses in the past, and as of December 31, 2024, we had an accumulated deficit of $78.5 million. While we were in a retained earnings position as of September 30, 2026, we have made, and expect to continue to make in the future, significant expenditures related to the development and expansion of our business, including the launch and ongoing development of Lifted. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. While our GSV and revenue have grown in recent years, we may not be able to sustain the same level of growth in future periods, or at all. For example, for the three and nine months ended September 30, 2026, GSV decreased 10% and 5%, respectively, as compared to the same periods in 2025 and total revenue decreased 8% and 3% for the three and nine months ended September 30, 2026, compared to the same periods in 2025. In addition, although our profitability has improved in recent periods, if our revenue declines or fails to grow at a rate faster than increases in our operating expenses, we will not be able to maintain profitability in future periods and the trading price of our common stock could decline.

Our operating results and performance metrics may fluctuate from period to period, which makes our future results difficult to predict.

Our operating results and performance metrics have fluctuated in the past and may fluctuate in the future, particularly in periods of macroeconomic uncertainty, elevated interest rates and inflation. Our operating results and performance metrics in any given period can be influenced by numerous factors, many of which are unpredictable or are outside of our control, including those described elsewhere in this "Risk Factors" section as well as the following:

- uncertainty regarding macroeconomic and political conditions and demand for our business;
- our ability to maintain and grow our community of customers;
- our ability to respond to competitive developments and other market and technological dynamics, such as the emergence of AI, and introduce new offerings and services or enhance existing offerings;
- changes to our pricing model and fee structure, including any resulting changes to our revenue recognition practices;
- changes in the spending patterns of clients or the mix of products and services that clients demand;
- the impact of reductions in our workforce or involuntary or voluntary separations, including claims against us from departing employees or others;
- fluctuations in gross margin and revenue, including as a result of fluctuations in the use of our Enterprise business's Managed Services offering due to our recognition of the entire GSV from the Managed Services offering as revenue, including the amounts paid to talent;
- the productivity, effectiveness, and efficiency of our sales force and the length and complexity of our sales cycles;
- the impact of changing, consolidating, or terminating offerings and services;
- losses from clients failing to pay invoices, particularly in instances where we advance payments to talent for invoiced services on behalf of the client;

- the disbursement methods chosen by talent and changes in the mix of disbursement methods offered;
- fluctuations in the prices that talent charge clients on the Upwork Marketplace;
- seasonality in the labor market and spending patterns by clients and the number of business days and the number of Sundays (i.e., the day we have the contractual right to bill and recognize revenue for the majority of our talent service fees each week) in any given period, as well as local, national, or international holidays;
- fluctuations in transaction losses;
- fluctuations in the mix of payment provider costs and the revenue generated from payment providers;
- changes to financial accounting standards and the interpretation of those standards that may affect the way we recognize and report our financial results; and
- fluctuations in currency exchange rates, particularly if we are unable to fully offset the adverse financial effects of unfavorable movements in foreign exchange rates through derivative instruments designed to hedge against certain exposures to such fluctuations.

The impact of one or more of the foregoing and other factors may cause our operating results and performance metrics to vary significantly. As such, we believe that period-to-period comparisons of our operating results and performance metrics may not be meaningful and you should not rely upon past performance as an indicator of future performance.

The applicability of sales, use, and other tax laws or regulations to our business could subject us or our customers to additional tax liability and related interest and penalties, and adversely impact our business.

We are subject to numerous taxes and tax collection obligations in the U.S. and other foreign jurisdictions. Significant judgment is required to evaluate applicable tax obligations and in many cases the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. As a result, we may recognize additional tax expense and be subject to additional tax liabilities, including other liabilities for tax collection obligations due to changes in federal, state, and international tax laws, statutes, rules, regulations, or ordinances; changes to our business operations; changes in taxing jurisdictions and administrative interpretations and applications; results of tax examinations, settlements, or judicial decisions; or changes in accounting principles. Moreover, a number of countries and intergovernmental organizations have recently proposed, recommended, or enacted new laws or changes to existing laws that could impact our tax and reporting obligations or add new compliance costs to our business to administer, assess, collect, and remit those taxes, and countries may propose or enact new laws that tax our or our customers' activities in response to the imposition of new trade barriers. These changes may happen with little or no advance notice or implementation time, which can increase various short-term costs of compliance. The impact and burden of these regulations and proposed regulations on our business and the businesses of our customers is uncertain and may have a negative impact on our business.

Any changes to our business operations, including international expansions, internal reorganizations, and transfer pricing could impact our tax liabilities. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions or disagree with our determinations as to the income and expenses attributable to specific jurisdictions or specific affiliates. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties.

At any given time we may be subject to tax audits by various taxing authorities, in multiple jurisdictions, throughout the world. While we believe our income and other tax liabilities are reasonably estimated, an adverse result from one or more of these tax audits or investigations could have a significant adverse impact on our financial results. In addition, our future effective tax rates could be affected by changes in

tax rates, changes in the valuation of our deferred tax assets or liabilities, the effectiveness of our tax planning strategies, or changes in tax laws or their interpretation. Such changes could have an adverse impact on our operating results and financial condition.

We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics may not accurately reflect certain details of our business, are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

We track certain performance metrics, including active clients and GSV per active client, GSV, and Marketplace take rate, with internal tools that are not independently verified by any third party. Our internal tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in inaccurate or unexpected changes to our metrics. If the internal tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. Our performance metrics are also impacted by illegal or improper activity on the Upwork Marketplace, including fraud, spam, and fake accounts. We are unable to prevent all fraudulent activity from being reflected in the performance metrics that we report. Accordingly, our performance metrics may not accurately reflect activity on and the performance of our platforms and other workforce solutions. In addition, limitations or errors with respect to how we measure data, or the accuracy of the data that we measure, may affect our understanding of certain details of our business, which could affect our longer-term strategies and our ability to respond to business trends that may negatively impact our performance. If our performance metrics are not accurate representations of our business, customer base, or activity on our platforms and other workforce solutions; if we discover material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, our reputation may be harmed, we may be subject to legal or regulatory actions, and our operating and financial results could be adversely affected.

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

Effective internal controls are necessary for us to provide reliable and accurate financial statements and to effectively prevent fraud. We devote significant resources and time to comply with the internal control over financial reporting requirements of the Sarbanes-Oxley Act of 2002. However, we cannot be certain that we will be able to prevent future significant deficiencies or material weaknesses. If we are unable to assert that our internal control over financial reporting is effective, material weaknesses are identified, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on The Nasdaq Global Select Market.

In addition, we face evolving and sometimes conflicting regulatory requirements and stakeholder expectations concerning environmental, social, and governance matters and related disclosures. If our related data, processes, and reporting are incomplete or inaccurate, or if we fail to achieve progress with our stated goals on a timely basis, our business, operating results, and financial condition could be adversely impacted.

Our ability to use our net operating loss carryforwards and certain other tax attributes is limited.

As of December 31, 2025, we had net operating loss, which we refer to as NOL, carryforwards for U.S. federal income tax purposes and California state income tax purposes of $2.0 million and $90.9 million, respectively, available to offset future taxable income. The federal NOL carryforwards of $2.0 million generated after December 31, 2017 can be carried forward indefinitely with utilization in any year limited to 80% of our taxable income or any limitation under Section 382 of the Internal Revenue Code of 1986, as amended, which we refer to as the Code. The California state NOL carryforward amounts will begin to expire in 2032 if not utilized.

Realization of these NOL carryforwards depends on future income, and there is a risk that our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities. In addition, under Section 382 of the Code, a corporation that undergoes an "ownership change," generally defined as a greater than 50% change (by value) in its equity ownership over a three-year period, is subject to limitations on its ability to utilize its pre-change NOL carryforwards to offset future taxable income. As of December 31, 2025, we have experienced ownership changes that will result in limitations in our ability to use certain NOLs and tax credit carryforwards. In addition, other factors outside our control could further limit our ability to utilize NOLs to offset future U.S. federal and state taxable income, including further changes in the ownership of our stock and regulatory changes. Any such material limitation or expiration of our NOLs may harm our future operating results by effectively increasing our future tax obligations.

We may require additional capital to fund our business and support our growth, and any inability to generate or obtain such capital may adversely affect our business, operating results, and financial condition.

To support our growth and business strategy, such as developing new features or enhancements to our platforms and other workforce solutions and improving our infrastructure, we have made and expect to continue to make significant financial investments in our business. In addition, we may, from time to time, seek to acquire or strategically invest in other complementary products, technologies, or businesses, or repurchase outstanding shares of our common stock. For example, during the nine months ended September 30, 2026, we repurchased $109.7 million of our common stock under the Share Repurchase Authorizations. As of September 30, 2026, we had no remaining balance under the 2025 Share Repurchase Authorization and $254.3 million available under the 2026 Share Repurchase Authorization for repurchases of our common stock. We may need to engage in equity or debt financings to obtain the funds required for these investments, acquisitions, and other business endeavors. If we raise additional funds through equity or convertible debt issuances, our existing stockholders may suffer significant dilution and these securities could have rights, preferences, and privileges that are superior to those of holders of our common stock. If we obtain additional funds through debt financing, we may not be able to obtain such financing on terms favorable to us. Such terms may involve additional restrictive covenants making it difficult to engage in capital raising activities and pursue business opportunities, including potential acquisitions and strategic investments. If we are unable to obtain adequate financing on terms satisfactory to us or at all, our ability to continue to support our business growth and business strategy could be significantly impaired and our business, operating results, and financial condition may be adversely affected.

Risks Related to Ownership of Our Common Stock

The stock price of our common stock has been and may continue to be volatile, and you could lose all or part of your investment.

The market price of our common stock has been and may continue to be volatile, particularly in periods of broader stock market fluctuations and macroeconomic uncertainty. The market price of our common stock may fluctuate significantly in response to numerous factors, many of which are unpredictable or are outside of our control, including those described elsewhere in this "Risk Factors" section as well as the following:

- actual or anticipated fluctuations in our operating results and performance metrics, particularly any failure to meet the estimates of securities analysts or the expectations of investors;
- the financial projections we provide to the public or our lowering of or failure to meet these projections;
- the economy or equity markets as a whole and market conditions in our industry, including as a result of tariffs and trade wars;
- negative publicity related to the trustworthiness, quality, or security of our platforms and other workforce solutions;
- changes in our board of directors, management or key personnel;

- failure of securities analysts to initiate or maintain coverage of us, inaccurate or unfavorable research by analysts, or changes in financial estimates by any securities analysts who follow our company;
- repurchases by us of any of our outstanding shares of common stock;
- speculative trading practices by stockholders and other market participants;
- rumors and market speculation involving us or other companies in our industry and/or other industries;
- legal and regulatory claims, litigation, or pre-litigation disputes and other proceedings;
- announcements by us or our competitors of significant new or terminated products or services, technical innovations, or acquisitions, strategic partnerships, joint ventures, or capital commitments;
- sales or expected sales of shares of our common stock by us, our officers, directors, employees or stockholders;
- changes in the legal or regulatory landscape applicable to us or our customers, including worker classification and tax laws; and
- geopolitical changes or events, including those resulting from war and incidents of terrorism.

In addition, 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. In the past, stockholders have instituted 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.

We cannot guarantee that the 2026 Share Repurchase Authorization will be fully consummated or that share repurchases will enhance long-term stockholder value. Share repurchases could also increase the volatility of the trading price of our common stock and diminish our cash reserves.

During the nine months ended September 30, 2026, we repurchased and subsequently retired 8.3 million shares of our common stock for an aggregate amount of $109.7 million under the Share Repurchase Authorizations, and we had $254.3 million available for repurchases under the 2026 Share Repurchase Authorization as of September 30, 2026. The actual timing and amount of any repurchases under the 2026 Share Repurchase Authorization will depend on a variety of factors, including stock price, trading volume, market and business conditions, regulatory requirements, and other considerations, all of which may be impacted by factors outside of our control. The 2026 Share Repurchase Authorization could affect the trading price of our common stock, increase volatility, and diminish our cash and cash equivalents and marketable securities available to fund working capital, repayment of debt, capital expenditures, strategic acquisitions, investments, or business opportunities, and other general corporate purposes. The 2026 Share Repurchase Authorization may be suspended, terminated, or modified at any time for any reason, and we cannot guarantee that any share repurchase authorization will be fully consummated, or at all, or that any share repurchases will enhance long-term stockholder value.

Sales of substantial amounts of our common stock in the public markets, particularly sales by our directors, executive officers, and significant stockholders, or the perception that these sales could occur, could cause the market price of our common stock to decline and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, or the perception that such sales could occur, particularly sales by our directors, executive officers, and significant stockholders. The perception that these sales might occur may also cause the market price of our common stock to decline. All shares of our common stock are freely tradable, generally without restrictions or further registration under the Securities Act of 1933, as amended, which we refer to as the Securities Act, subject to certain exceptions for shares held by our

“affiliates” as defined in Rule 144 under the Securities Act. In addition, 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 on the open market. Moreover, we may also issue shares of common stock, securities convertible into shares of our common stock, or preferred stock with preferences over our common stock from time to time in connection with a financing, an acquisition, investments, or otherwise. Any such issuances could result in substantial dilution to our existing stockholders and cause the market price of our common stock to decline.

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

We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that for the foreseeable future we will retain all of our future earnings for use in the development of our business, for repurchases under our 2026 Share Repurchase Authorization, and for general corporate purposes. Accordingly, investors 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 investments.

Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees, and limit the market price of our common stock.

Provisions in our restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our restated certificate of incorporation and amended and restated bylaws include provisions that:

- classify our board of directors into three classes of directors with staggered three-year terms;
- permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships;
- require super-majority voting to amend certain provisions in our restated certificate of incorporation and amended and restated bylaws;
- authorize the issuance of “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan (also known as a “poison pill”);
- provide that only the chairperson of our board of directors, our chief executive officer, president, lead independent director, or a majority of our board of directors are authorized to call a special meeting of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws; and
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, our restated certificate of incorporation provides that the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District 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, which we refer to as the DGCL, our restated certificate of incorporation, or our amended and restated bylaws, any action asserting a claim against us that is governed by the internal affairs doctrine, or any action asserting an “internal corporate claim” as that term is defined in Section 115 of the DGCL. Our amended and restated bylaws also provide that the federal district courts of the United States would be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring

any interest in any of our securities shall be deemed to have notice of and consented to this provision. While the Delaware Supreme Court has upheld the facial validity of a federal forum provision for Securities Act claims, there remains uncertainty as to whether and in what circumstances courts outside Delaware will enforce similar provisions. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

Moreover, Section 203 of the DGCL may discourage, delay, or prevent a change of control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock.

Risks Related to Our Indebtedness

Our indebtedness could limit the cash flow available for our operations, and the restrictive and financial covenants under our Credit Agreement could limit our operational flexibility, exposing us to risks that could adversely affect our business, operating results, and financial condition.

In June 2026, we entered into the Credit Agreement providing the Revolving Credit Facility, which matures in June 2029. The Revolving Credit Facility is secured by liens on substantially all of our assets and those of our subsidiary guarantors, contains financial and other restrictive covenants, and bears interest at variable rates. As of September 30, 2026, we had no borrowings outstanding and $150.0 million of borrowing capacity available under the Revolving Credit Facility. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our stockholders and our business, operating results, and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes;
- requiring us to comply with restrictive and financial covenants under the Credit Agreement—including limits on incurring indebtedness, granting liens, making investments and acquisitions, paying dividends and repurchasing stock, disposing of assets, and transacting with affiliates, and the maintenance of a maximum Consolidated Net Leverage Ratio and minimum Consolidated Fixed Charge Coverage Ratio tested quarterly—a breach of which could result in an event of default;
- exposing us to increased interest expense to the extent we incur variable-rate borrowings under the Revolving Credit Facility;
- subjecting substantially all of our assets to liens securing the Revolving Credit Facility, and, following an event of default (including upon a change of control), permitting the lenders to terminate their commitments, accelerate our borrowings, and foreclose on those assets;
- limiting our flexibility to plan for, or react to, changes in our business, including our ability to pursue or fund strategic initiatives or acquisitions; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

We may not generate sufficient funds to service our indebtedness, and any of the foregoing could materially and adversely impact our business, operating results, and financial condition, the market price of our common stock, and our ability to obtain other financing.

General Risks

Adverse or changing economic conditions may negatively impact our business.

Our business depends on the overall demand for labor and on the economic health of current and prospective clients. Any significant weakening of the economy in the United States or Europe or of the global economy, including a continued rise in inflation, higher tariffs, trade wars, hiring freezes, layoffs, more limited availability of credit, a reduction in business confidence and activity, decreased government or business spending, government shutdowns, economic and political uncertainty, heightened geopolitical tensions, financial turmoil or instability affecting the banking system or financial markets, sanctions, global or regional public health events or conditions, a more limited market for contingent service providers or information technology services, shifts away from remote work, and other adverse economic or market conditions may adversely impact our business and operating results. These adverse conditions have resulted, and may again result, in reductions in revenue, increased operating expenses, longer sales cycles, and increased competition. There is also a risk that when overall global economic conditions are positive, our business could be negatively impacted by a decreased demand for talent as businesses utilize more direct, full-time employees relative to their use of contingent workers. We cannot predict the timing, strength, or duration of any economic slowdown, or any subsequent recovery generally. If the conditions in the general economy deteriorate, our business, operating results, and financial condition could be adversely affected.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities.

There were no unregistered sales of equity securities during the three months ended September 30, 2026.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Insider Trading Arrangements

During the three months ended September 30, 2026, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K, intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

Item 6. Exhibits.

Exhibit Number	Exhibit Title	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
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
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	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).					X

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Form 10-Q and are not deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act.*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Quarterly Report to be signed on its behalf by the undersigned thereunto duly authorized.

UPWORK INC.

Date: November 2, 2026

By: /s/ Hayden Brown

Hayden Brown
President and Chief Executive Officer
(Principal Executive Officer)

Date: November 2, 2026

By: /s/ Erica Gessert

Erica Gessert
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Hayden Brown, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upwork 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: November 2, 2026

/s/ Hayden Brown
Hayden Brown
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a) OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Erica Gessert, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Upwork 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: November 2, 2026

/s/ Erica Gessert
Erica Gessert
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Hayden Brown, Chief Executive Officer of Upwork Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 2, 2026

/s/ Hayden Brown
Hayden Brown
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Erica Gessert, Chief Financial Officer of Upwork Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

Date: November 2, 2026

/s/ Erica Gessert
Erica Gessert
Chief Financial Officer
(Principal Financial Officer)