

Upwork Investor Presentation

August 2025

upwork

Safe Harbor Statement

This presentation of Upwork Inc. (the "Company," "we," "us," or "our") contains "forward-looking" statements within the meaning of the federal securities laws. Forward-looking statements include all statements other than statements of historical fact, including any statements regarding our future operating results and financial position, including expected financial results for the third quarter and full year 2025, information or predictions concerning the future of our business or strategy, anticipated events and trends, potential growth or growth prospects, competitive position, technological and market trends, industry environment, the economy, our plans with respect to share repurchases, the expected impact and timing of strategic initiatives, including the acquisitions of Buby B.V. and Ascen Inc. by a subsidiary of the Company, and other future conditions.

We have based these forward-looking statements largely on our current expectations and projections as of the date hereof about future events and trends that we believe may affect our financial condition, results of operations, business strategy, short- and long-term business operations and objectives, and financial needs. As such, they are subject to inherent uncertainties, known and unknown risks, and changes in circumstances that are difficult to predict and in many cases outside our control, and you should not rely on such forward-looking statements as predictions of future events. We make no representation that the projected results will be achieved or that future events and circumstances will occur, and actual results may differ materially and adversely from our expectations. The forward-looking statements are made as of the date hereof, and we do not undertake, and expressly disclaim, any obligation to update or revise any forward-looking statements, conform these statements to actual results, or make changes in our expectations, except as required by law. Additional information regarding the risks and uncertainties that could cause actual results to differ materially from our expectations is included under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the three months ended March 31, 2025, filed with the SEC on May 5, 2025, and in our other SEC filings, which are available on our Investor Relations website at investors.upwork.com and on the SEC's website at www.sec.gov. Additional information will also be set forth under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the three months ended June 30, 2025, when filed.

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

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Businesses need solutions for today's new era of work



Companies need **high quality talent** for AI and other top priorities



Businesses require more **flexibility & speed** in evolving their workforces



Corporate **budgets remain under pressure**



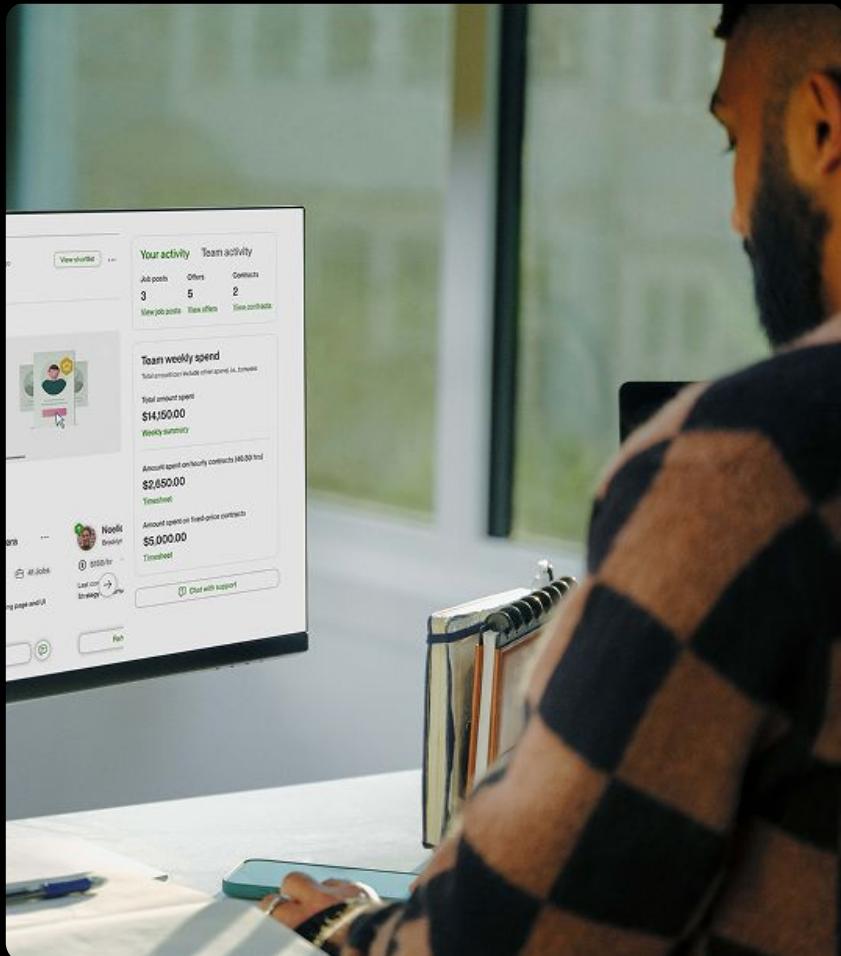
Traditional staffing solutions **fall short**



Companies are turning to Upwork: the world's human & AI-powered work marketplace

- **Global talent pool**, spanning >130 work categories and >10,000 skills – including ~250,000 AI experts globally
- **AI-powered platform** makes it easy to find, manage and pay talent for complex projects
- **Tailored solutions for SMBs and Enterprise**; customers include Microsoft, AirBnB, and Cloudflare

Proven track record delivering durable, profitable growth and increasing shareholder value



Upwork is the market leader, with advantages in scale, breadth of work and tailored support for businesses of all sizes



Industry-leading scale and innovation

- Enables \$1B of client spend (GSV) quarterly; >\$25B in cumulative talent earnings to date
- Proprietary AI agent, Uma™, delivers effortless experience for hiring, managing, and paying



Larger, more complex jobs - enabled by AI

- GSV from AI related work grew 30% YoY in Q2'25 - subcategories like prompt engineering growing >50% YoY
- Average GSV per active client >\$5,000 in Q2'25

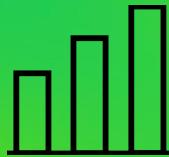


Tailored solutions for SMB & Enterprise

- Enterprise product purpose-built to serve contingent staffing programs at large companies
- SMB offering, Business Plus, grew GSV 190% QoQ in Q2'25

Superior, tech-enabled marketplace model drives strong profitability and free cash flow

Record Margins & Profitability



- Record Q2 gross margin of 77.8%
- Adjusted EBITDA was \$57.1 million, a 40% increase year-over-year
- Record adj. EBITDA margin of 29.3% in Q2 2025

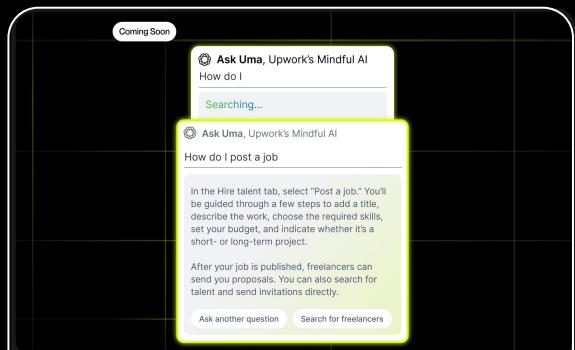
Strong Balance Sheet & Cash Generation



- Cash, cash equivalents and marketable securities were approximately \$635M at the end of Q2 2025
- Strong free cash flow generation of \$65.6M in Q2 2025

Adjusted EBITDA margin and free cash flow are non-GAAP financial measures and are presented for supplemental purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the appendix of this presentation.

Upwork is executing on three growth catalysts to drive growth reacceleration in 2026



AI features & category growth

Leveraging client demand for our ~250k AI experts and savvy talent pool to drive AI category growth.

AI-powered features including Uma, Upwork's Mindful AI, improve customer productivity and work outcomes.



Enterprise expansion

Differentiated, digital offering for contingent talent sourcing, workforce management and compliant employment.

Positioned to increase wallet share with large clients and unlock the more than \$650 billion Enterprise opportunity¹.



Gain an edge with more **Connects.**

 Freelancer Plus gives you 100 Connects each month — that means more proposals and greater earnings potential.

Ads & monetization

Long runway for value added services, market-defining dynamic pricing models, and subscription services (e.g., Freelancer Plus, Business Plus) – all of which enhance customer value, marketplace efficiency, and take rate.

Upwork Updates Summer 2025

AI features and category growth

Upwork expands Uma (Upwork's Mindful AI) into an always-on AI work agent and rolls out 75+ features in H1 2025 to accelerate hiring and collaboration for freelancers and clients

- Uma's transformation from companion to **autonomous work agent** establishes Upwork as a **leader** in the future of **AI work**, differentiating from traditional marketplaces and enhancing our sustainable competitive advantage
- Business Plus and Freelancer Plus upgrades with advanced AI features create **stronger monetization** opportunities while increasing **user retention** and **lifetime value**
- **AI-powered search and client-talent match** built on millions of platform interactions creates **stronger network effects**, making the platform more valuable as it **scales** and expanding competitive moat

Freelancer Plus



Now includes **unlimited** use of Uma, real-time job alerts, proposal insights dashboards and a **0% service fee** on direct contracts.

AI Interviewer



Leverage Uma to interview talent, saving time and surfacing top talent, increasing hiring speed, and supercharging match quality.

Upwork Video Meetings



Generate transcripts, summaries and action items to enhance collaboration, propose project milestones, and turn meetings into real progress.

Business Plus



Now bundles an AI-curated shortlists, off-platform hiring, and a simplified **all-in-one payments platform**, all in one plan.

AI has been one of the fastest-growing major categories on Upwork for multiple quarters

Example client use cases:

- Prompt engineering
- AI integration
- Generative AI modeling
- Data labeling and annotation

AI features and category growth

Hire the right talent for your project

Find a pro with the skills and experience you need. Sign up to invite them to a job, then start a contract on Upwork when you've figured out the details. [See all talent →](#)

All talent Custom chatbots Generative AI writing Generative AI art AI models Data annotation



Deborah A.
Chatbot Developer

Top Rated Plus \$30/hr
4.75/5 (5 jobs)

AI Mobile App Development
AI Chatbot ChatGPT

[View profile](#)



Vasyl S.
AI Model Developer

Top Rated Plus \$70/hr
4.54/5 (4 jobs)

AI Chatbot
AI Model Integration

[View profile](#)



Muntaha S.
AI Art Creator

Top Rated \$27/hr
4.5/5 (6 jobs)

Generative AI
Deep Learning

[View profile](#)



Muneer A.
AI Model Developer

Top Rated \$35/hr
4.9/5 (7 jobs)

Stable Diffusion
AI Content Creation

[View profile](#)

[Hire an AI expert](#)

30%

YoY increase in GSV from AI-related work in Q2 2025 - accelerating from 25% in Q1 2025

38%

YoY increase in the number of clients posting AI jobs in Q2 2025

3x

Average volume of work through Upwork from clients engaging in AI vs platform average

Enterprise M&A accelerates ability to capture greater share of the \$650B contingent workforce TAM¹

Enterprise expansion

- Upwork's enterprise offering is expanding to include workforce management and a full range of contingent workforce models (independent contractors, agency-of-record, employer-of-record, staff augmentation, statement of work, and outsourcing) in response to customer demand.
- These capabilities, combined with access to the Upwork Marketplace's world-class talent pool, will provide a unified, best-in-class solution ready to support large enterprise's contingent work programs.
- Upwork's slate of hundreds of top-tier Enterprise clients provide strong foundation of demand for expanded, made for Enterprise product suite

Workforce Management (WFM)



Contingent Employment Solutions²



Bubty is a **purpose-built platform** to help enterprises manage different contingent workforce models and contract types

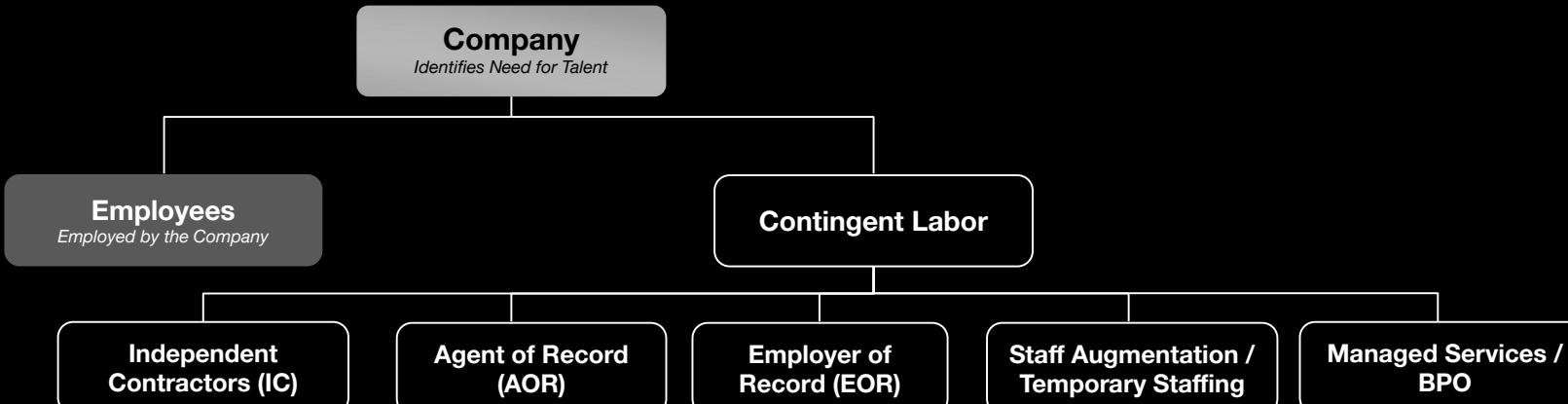
Ascen is a **digitally native solution** for contingent W-2 workers with **easy-to-integrate APIs**

¹ SIA, Global Staffing Market Estimates & Forecasts November 2024 | Staffing Industry Analysts

² The acquisition of Ascen Inc. is expected to close in the second half of 2025, subject to the satisfaction of customary closing conditions.

Enterprise: A singular, differentiated solution

Enterprise expansion



Buby will enable country/contract agnostic workflows

Ascen¹ + Upwork Enterprise's talent sourcing
enable new and enhanced capabilities

Upwork Enterprise Subsidiary: Differentiated, integrated & digital offering for all contingent work needs

¹ The acquisition of Ascen Inc. is expected to close in the second half of 2025, subject to the satisfaction of customary closing conditions.

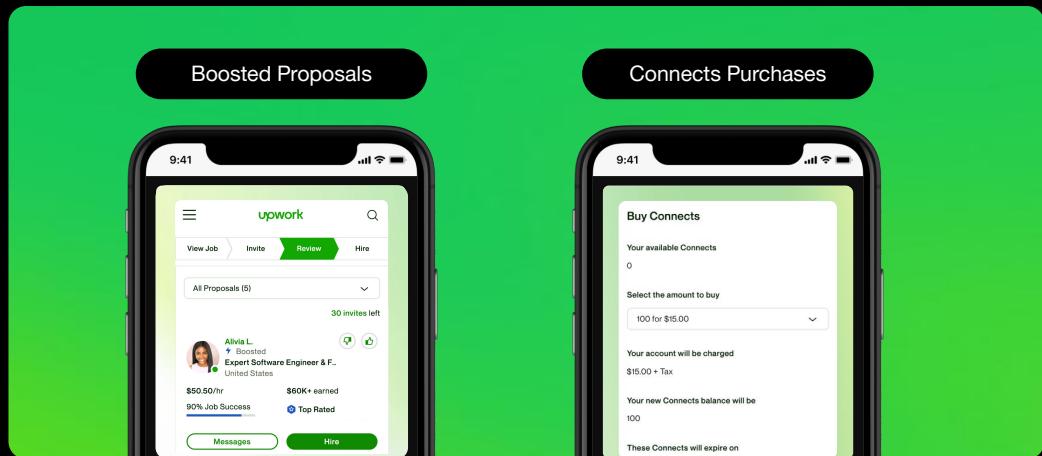
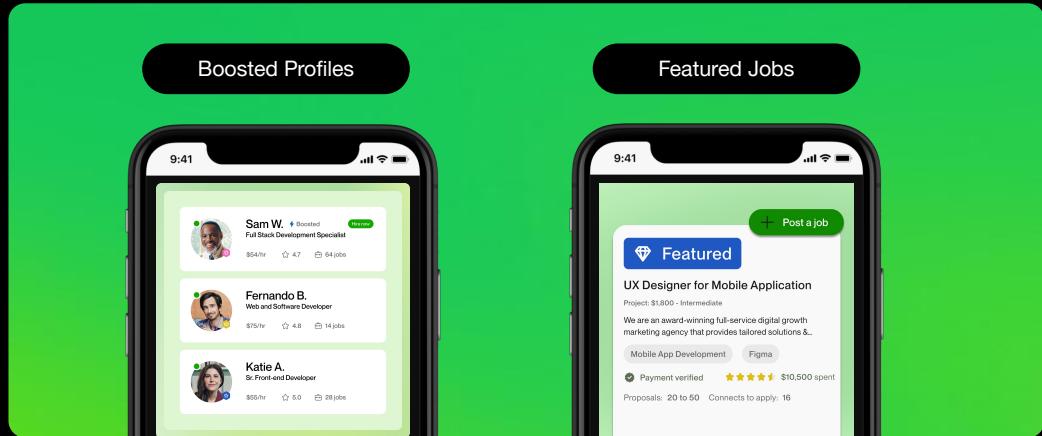
Ads & monetization

Drives marketplace quality and efficiency, and is expected to continue to provide a multi-year tailwind for take rate

Q2 2025 highlights:

- Continued strength growing ads & monetization revenues 17% YoY
- Freelancer Plus subscription revenue grew 13% YoY and Connects revenue grew 19% YoY
- Business Plus GSV increased 190% QoQ, with new customers 35% of active client growth

Ads & monetization

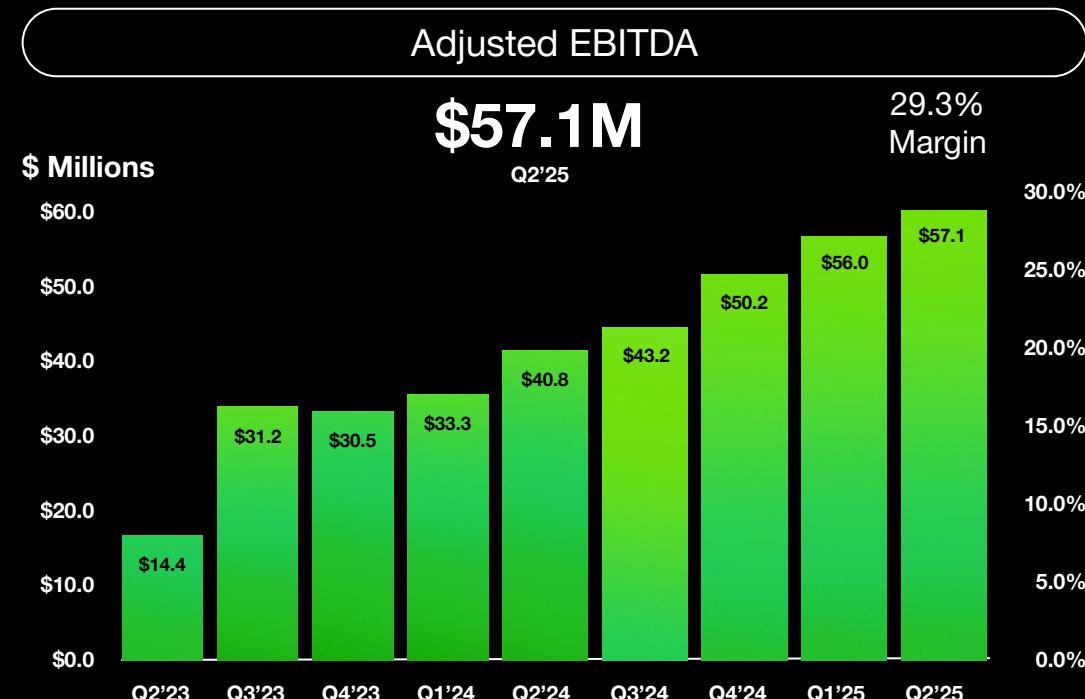


Proven ability to drive durable, profitable growth and margin expansion

>20 points of margin expansion over the past two years

On track to achieve 35% Adjusted EBITDA margin target:

- GSV and revenue growth consistently outperform broader human capital and staffing industry
- Executing disciplined cost management across every area of our business while investing in growth levers, including AI category growth and AI platform enhancements
- Ongoing pricing and supply/demand experimentation provide powerful future take rate expansion opportunities



Adjusted EBITDA and adjusted EBITDA margin are non-GAAP financial measures and are presented for supplemental purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the appendix of this presentation.

Strong, growing free cash flow enables investments in growth levers, M&A and capital return

Quarterly YoY Free Cash Flow (Q2)



Annual Free Cash Flow



Strategic use of cash to drive long-term shareholder value:

- M&A
- Investments in our growth catalysts:
 - AI
 - Enterprise
 - Ads & Monetization
- Share repurchases expected to fully offset dilution from SBC

Share Repurchase Program

2024

- \$100M and 8.1M shares repurchased
- Offset SBC by \$32M

2025

YTD

- \$71M and 5.2M shares repurchased
- \$29M remaining

Strategic Acquisitions

2023



2024



2025



Free cash flow is a non-GAAP financial measure and is presented for supplemental purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the appendix of this presentation.

¹ The acquisition of Ascen Inc. is expected to close in the second half of 2025, subject to the satisfaction of customary closing conditions.

All-time highs in profitability and cash generation

Q2'25

GSV	Revenue	GAAP Gross Margin
\$1,002.7M -1% year-over-year	\$194.9M +1% year-over-year	77.8% +43 bps year-over-year
Adjusted EBITDA	Free Cash Flow	Take Rate
\$57.1M 29.3% adj. EBITDA margin	\$65.6M 115% FCF/adj. EBITDA	19.4% +1% year-over-year

"GSV," "Adjusted EBITDA," "Free Cash Flow," and "Take Rate" are defined in the definitions section of this presentation. Adjusted EBITDA, adjusted EBITDA margin, free cash flow, and free cash flow conversion rate are non-GAAP financial measures and are presented for supplemental purposes only and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. An explanation of non-GAAP financial measures and reconciliations to their most directly comparable GAAP financial measures can be found in the appendix of this presentation. For more information regarding our second quarter 2025 results, please refer to our press release dated August 6, 2025 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2025, when filed.

Appendix + Definitions

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

	Three Months Ended June 30,	
	2025	2024
Revenue		
Marketplace	\$ 170,660	\$ 166,786
Enterprise	24,279	26,343
Total revenue	194,939	193,129
Cost of revenue		
Gross profit	151,507	149,277
Operating expenses		
Research and development	44,843	52,465
Sales and marketing	36,671	47,333
General and administrative	35,659	29,924
Provision for transaction losses	1,769	1,774
Total operating expenses	118,492	131,496
Income from operations		
Other income, net	5,878	5,620
Income before income taxes		
Income tax provision	(5,717)	(1,181)
Net income	\$ 32,726	\$ 22,220

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

	Three Months Ended June 30,	
	2025	2024
Net income per share:		
Basic	\$ 0.25	\$ 0.17
Diluted	\$ 0.24	\$ 0.17
Weighted-average shares used to compute net income per share:		
Basic	132,183	131,436
Diluted	140,198	138,266

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

	June 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	\$ 291,070	\$ 305,757
Marketable securities	343,509	316,344
Funds held in escrow, including funds in transit	212,033	195,736
Trade and client receivables, net	71,230	75,490
Prepaid expenses and other current assets	21,141	17,727
Total current assets	938,983	911,054
Property and equipment, net	38,109	30,056
Goodwill	141,473	121,064
Intangible assets, net	9,525	12,989
Operating lease asset	5,367	5,752
Deferred tax asset	126,715	128,779
Other assets, noncurrent	1,544	1,919
Total assets	\$ 1,261,716	\$ 1,211,613
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 1,027	\$ 6,128
Escrow funds payable	212,033	195,736
Accrued expenses and other current liabilities	58,762	59,300
Deferred revenue	7,802	7,269
Total current liabilities	279,624	268,433
Debt, noncurrent	358,849	357,928
Operating lease liability, noncurrent	10,351	9,567
Other liabilities, noncurrent	4,238	308
Total liabilities	\$ 653,062	\$ 636,236

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

	June 30, 2025	December 31, 2024
Stockholders' equity		
Common stock	13	14
Additional paid-in capital	615,937	653,575
Accumulated and other comprehensive income	724	264
Accumulated deficit	(8,020)	(78,476)
Total stockholders' equity	608,654	575,377
Total liabilities and stockholders' equity	\$ 1,261,716	\$ 1,211,613

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

	Three Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 32,726	\$ 22,220
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for transaction losses	1,528	1,637
Depreciation and amortization	5,879	3,629
Amortization of debt issuance costs	461	461
Accretion of discount on purchases of marketable securities, net	(1,561)	(3,283)
Amortization of operating lease asset	183	859
Tides Foundation common stock warrant expense	187	187
Stock-based compensation expense	15,977	19,238
Deferred taxes	2,064	—
Changes in operating assets and liabilities:		
Trade and client receivables ⁽¹⁾	3,895	(1,856)
Prepaid expenses and other assets	(40)	(3,004)
Operating lease liability	(22)	(1,580)
Accounts payable	(3,088)	(81)
Accrued expenses and other liabilities	14,019	4,050
Deferred revenue	306	(3,274)
Net cash provided by operating activities	<u>72,514</u>	<u>39,203</u>

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

	Three Months Ended June 30,	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of marketable securities	(208,440)	(44,243)
Proceeds from maturities of marketable securities	181,301	190,074
Proceeds from sale of marketable securities	3,257	8,485
Acquisition of business, net of cash acquired	(20,410)	—
Purchases of property and equipment	(2,381)	(598)
Internal-use software and platform development costs	(4,507)	(3,149)
Net cash (used in) provided by investing activities	(51,450)	150,389

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

	Three Months Ended June 30,	
	2025	2024
CASH FLOWS FROM FINANCING ACTIVITIES:		
Change in escrow funds payable, net ⁽¹⁾	(2,684)	(6,194)
Proceeds from exercises of stock options and common stock warrants	1	644
Repurchase of common stock	(37,868)	(33,124)
Net cash (used in) financing activities	(38,352)	(35,737)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(17,288)	153,855
Cash, cash equivalents, and restricted cash—beginning of period	524,191	251,994
Cash, cash equivalents, and restricted cash—end of period	\$ 506,903	\$ 405,849

⁽¹⁾ The Company elected to change the presentation of certain cash flows on its Consolidated Statement of Cash Flow, reclassifying the change in Trade and Client Receivables, related to amounts received on behalf of talent to fund their escrow account, from operating activities to financing

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

	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 291,070	\$ 305,757
Restricted cash	3,800	4,100
Funds held in escrow, including funds in transit	212,033	195,736
Total cash, cash equivalents, and restricted cash as shown in the condensed consolidated statement of cash flows	\$ 506,903	\$ 505,593

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

	2024	Twelve Months Ended December 31,		2022
Cash provided by operating activities	\$ 153,563	\$ 52,708		\$ 11,497
Less: purchases of property, plant & equipment and cash outflows from internally developed software	(14,444)	(13,351)		(8,733)
Free cash flow	\$ 139,119	\$ 39,357		\$ 2,764

	Three Months Ended June 30,	
	2025	2024
Cash provided by operating activities	\$ 72,514	\$ 39,203
Less: purchases of property, plant & equipment and cash outflows from internally developed software	(6,888)	(3,747)
Free cash flow	\$ 65,626	\$ 35,456

UPWORK INC.
RECONCILIATION OF GAAP NET INCOME TO ADJUSTED EBITDA
(in thousands)
(Unaudited)

Three Months Ended

	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
Net income (loss)	\$ 32,726	\$ 37,730	\$ 147,166	\$ 27,758	\$ 22,220	\$ 18,442	\$ 17,374	\$ 16,337	\$ (3,991)
Add back (deduct):									
Stock-based compensation expense	1 5,977	12, 272	13,633	18,578	1 9,238	16, 942	18,047	17,811	1 8,437
Depreciation and amortization	5,879	4,861	4,370	3,668	3,629	3,146	3,808	1,763	1,854
Other income, net ⁽¹⁾	(5,878)	(6,317)	(4,788)	(8,091)	(5,620)	(6,722)	(7,389)	(5,766)	(3,982)
Income tax (benefit) provision ⁽²⁾	5,717	7,277	(128,795)	1,126	1,181	1,329	(1,557)	895	1,857
Other ⁽³⁾⁽⁴⁾⁽⁵⁾	2,640	188	18,620	188	187	188	187	188	187
Adjusted EBITDA	\$ 57,061	\$ 56,011	\$ 50,206	\$ 43,227	\$ 40,835	\$ 33,325	\$ 30,470	\$ 31,228	\$ 14,362
Profit margin	17 %	20 %	77 %	14 %	12 %	10 %	9 %	9 %	(2) %
Adjusted EBITDA margin	29 %	29 %	26 %	22 %	21 %	17 %	17 %	18 %	9 %

⁽¹⁾ During the three months ended March 31, 2023, we recognized a gain of \$38.9 million on the early extinguishment of a portion of our 0.25% convertible senior notes due 2026, which is included in Other income, net.

⁽²⁾ During three months ended December 31, 2024, we recognized a non-cash tax benefit of \$140.3 million from the release of a valuation allowance on certain deferred tax assets.

⁽³⁾ During the three months ended December 31, 2024, we incurred \$19.2 million in costs related to the execution of the Restructuring Plan. Of this amount, \$18.4 million is included in Other, while the remaining amount is allocated between Stock-based compensation expense and Other income, net.

⁽⁴⁾ For all periods presented, we incurred \$0.2 million related to the Tides Foundation Warrant.

⁽⁵⁾ During the three months ended June 30, 2025, we incurred acquisition-related costs of \$2.5 million in connection with our 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. Beginning in the second quarter of 2025, we included acquisition-related costs as an add-back to net income in the reconciliation to adjusted EBITDA. Acquisition-related costs incurred in prior periods were deemed immaterial and therefore not included as an add-back to adjusted EBITDA.

Key Definitions

Active Clients

We define an Active Client as a client that has had spend activity on our work marketplace during the 12 months preceding the date of measurement.

Adjusted EBITDA

We define adjusted EBITDA as net income adjusted for stock-based compensation expense; depreciation and amortization; other income (expense), net, which includes interest expense; income tax benefit (provision); and, if applicable, certain other gains, losses, benefits, or charges that are non-cash or are significant and the result of isolated events or transactions that have not occurred frequently in the past and are not expected to occur regularly in the future.

Connects

Virtual tokens that are required for talent to bid on projects and purchase ads products on our work marketplace.

Enterprise Client

We define an Enterprise Client as a client that has entered into a contract for its use of our Enterprise Solutions or Managed Services offerings.

Enterprise Revenue

We define Enterprise Revenue as revenue from our Enterprise offerings, including all client fees, subscriptions, and talent service fees from our Enterprise Solutions offering (previously referred to as Upwork Enterprise) and our Managed Services offering.

Free Cash Flow

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

Gross Services Volume (GSV)

Gross services volume, or GSV, represents the total amount that clients spend on our offerings as well as additional fees we charge to talent and clients for other services.

GSV per Active Client

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

Key Definitions

Marketplace Revenue

Marketplace revenue represents the majority of our revenue and is derived from our Marketplace offerings, which include all offerings other than our Enterprise offerings—Enterprise Solutions (previously referred to as Upwork Enterprise) and Managed Services.

Marketplace Take Rate

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

Take Rate

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

About Upwork

About Upwork

Upwork is the world's largest work marketplace that connects businesses with highly skilled, AI-enabled independent talent from across the globe. From entrepreneurs to Fortune 100 enterprises, companies rely on Upwork's trusted platform and its mindful AI companion, Uma™, to find and hire expert talent, leverage AI-powered work solutions, and drive business transformation. With on-demand access to professionals spanning more than 10,000 skills across AI & machine learning, software development, sales & marketing, customer support, finance & accounting, and more, Upwork enables businesses of all sizes to scale, innovate, and build agile teams for the age of AI and beyond.

Upwork's platform has facilitated more than \$25 billion in economic opportunity for talent around the world. Learn more at upwork.com and follow us on [LinkedIn](#), [Facebook](#), [Instagram](#), [TikTok](#), and [X](#).

Contact:

investor@upwork.com

Disclosure Information

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

Non-GAAP Financial Measures

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

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

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as analytical tools, and investors should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. In particular, (1) adjusted EBITDA 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, (2) although depreciation and amortization expense are non-cash charges, the assets subject to depreciation and amortization may have to be replaced in the future, and adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements, and (3) adjusted EBITDA does not reflect: (a) changes in, or cash requirements for, our working capital needs; (b) interest expense, or the cash requirements necessary to service interest or principal payments on our debt, which reduces cash available to us; or (c) tax payments that may represent a reduction in cash available to us. In addition, the non-GAAP financial measures we use may be different from non-GAAP financial measures used by other companies, including companies in our industry, limiting their usefulness for comparison purposes. We compensate for these limitations by providing specific information regarding the GAAP items excluded from the non-GAAP financial measures that we present. Reconciliations of the non-GAAP financial measures presented in this presentation to their most directly comparable GAAP financial measures have been provided in the financial statement tables included in this presentation, and investors are encouraged to review the reconciliations and not rely on any single financial measure to evaluate our business.