



CREATING A WORLD OF
Work Without Limits™

Upwork®

Safe harbor

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This presentation also contains estimates, forecasts, and other statistical data made by independent parties and by the Company relating to market size and growth and other data about the Company’s industry. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In addition, projections, assumptions, and estimates of the Company’s future performance and the future performance of the markets in which the Company operates are necessarily subject to a high degree of uncertainty and risk.

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OUR MISSION

To create economic opportunities so people have better lives.

OUR VISION

**Independent talent
at the heart
of every business.**

Upwork at a glance

Marketplace Size

\$786.8M

Gross Services Volume (GSV)⁽¹⁾ in Q121

Revenue

\$113.6M

Total GAAP Revenue in Q121

Adjusted EBITDA⁽¹⁾

\$6.9M

Adjusted EBITDA in Q121

Client Spend Retention⁽¹⁾

106%

as of March 31, 2021

Core Clients⁽¹⁾

152.4K

as of March 31, 2021

Gross Services Volume (GSV) (\$ millions)



Revenue (\$ millions)



EBITDA (\$ millions)



Note: (1) Gross Services Volume (GSV), Adjusted EBITDA, Core Clients and Client Spend Retention are non-GAAP measures. Definitions of these terms and a reconciliation table from GAAP to non-GAAP measures can be found in the Appendix of this presentation.

Upwork investment highlights



Large market
opportunity with
multiple macro drivers



Largest work marketplace
connecting businesses with
independent talent⁽¹⁾



Predictable business
model with **strong**
retention metrics



Deep and expanding
competitive moats



Multiple **growth**
opportunities



Proven and **experienced**
management team

The global labor market segment revolution: how work is done is evolving

Freelancers (Supply Side)



~225M

Service jobs globally can be performed remotely⁽¹⁾



50%

Of GenZ are freelancers⁽²⁾

Clients (Demand Side)



62%

Will be more remote than before COVID-19⁽³⁾



47%

More likely to engage independent talent due to COVID-19⁽³⁾

Our work marketplace enables a new work paradigm

Freelancers	Clients
<p>Highly Diverse</p> <ul style="list-style-type: none">• Global freelancer base• Diverse skill sets• Individual freelancers to high quality agencies	<p>SMBs (~80% of GSV⁽¹⁾)</p> <ul style="list-style-type: none">• Sole proprietors (some with no employees)• VSBs (1-10 employees)• SMBs (< 100 employees)
<p>Highly Qualified</p> <ul style="list-style-type: none">• 73% with college degree⁽²⁾• 21% with post-graduate degree⁽²⁾• Highly curated	<p>Mid Market & Large Accounts (~20% of GSV⁽¹⁾)</p> <p>  </p> <p>   </p>

Notes: (1) SMBs are defined as clients with fewer than 100 employees; mid market and large accounts are defined as clients with 100 or more employees. Based on gross services volume (GSV) in 2020. See Appendix for a definition of GSV. (2) February 2020 Upwork internally-conducted survey.

Delivering significant value to both constituents

Value for Freelancers



Access to quality, flexible projects outside their geographic market



Get hired quickly



Get paid on-time & securely



Build reputation & find more projects



Insights on skills in demand

Value for Clients



Global access to virtual talent bench across categories



Fast access to talent



Cost effective projects



Trust and verification of freelancers



End-to-end suite of workflow tools

Bringing efficiencies to the labor marketplace

	The Old Way ⁽¹⁾⁽²⁾		Upwork ⁽³⁾	
Average Time to Hire	31 Working days		3 days	✓ Faster Hiring
Access to Quality Talent	Limited By geography / location	→	180+ Countries	✓ Greater Talent Access
	Limited By required skills		90+ Categories 10,000+ Skills	
Cost of Hire	High		Lower Savings vs. traditional hiring or agencies	✓ Meaningful Cost Savings

Disrupting the massive labor market

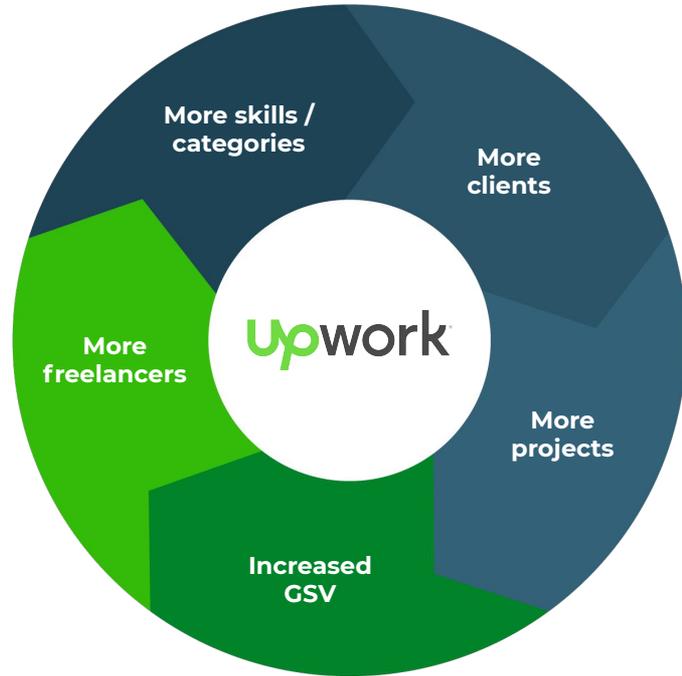


By 2024, remote workers
will represent 30% of all
employees worldwide



(1) Source: Gartner - Forecast Analysis: Remote Workers Forecast, Worldwide August 2020.

Benefiting from a virtuous cycle that drives scale & competitive moats



Largest work marketplace⁽¹⁾



~80% of users acquired organically⁽³⁾



Word of mouth



Unpaid search



Free referrals

Global freelancer & client reach



More than 10,000 skills in 180+ countries as of December 31, 2020

Notes: (1) Upwork is the world's largest work marketplace that connects businesses with independent talent, as measured by gross services volume. (2) Gross Services Volume (GSV). See appendix for the definition of GSV. (3) Consists of client registrations from direct navigation to the Upwork website and mobile applications, unpaid search results, and free referrals.

Freelancers offer services in 90+ work categories across 10,000+ skills

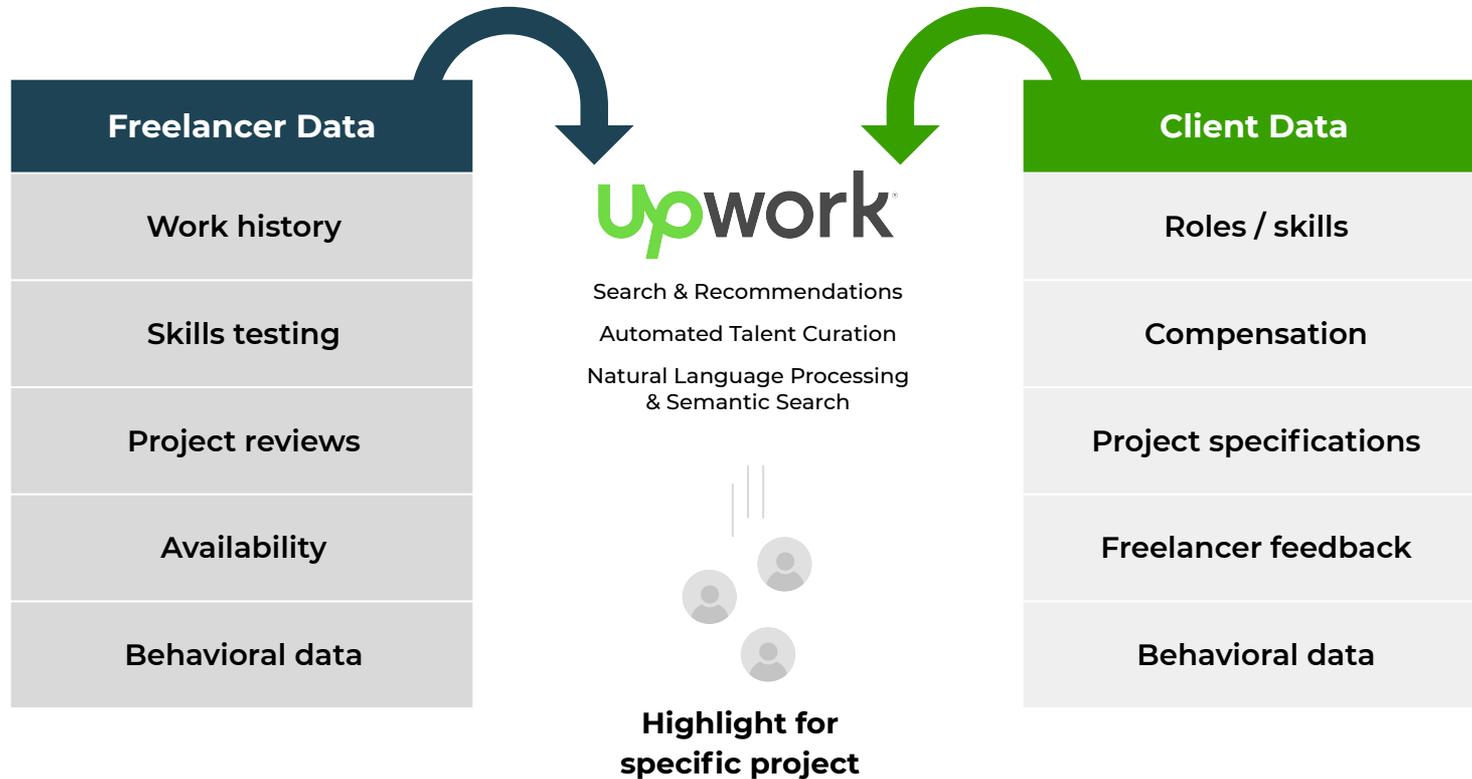


Horizontal Marketplace

50+
Categories with
\$10M+ in GSV⁽¹⁾

~40%
Clients hired in
multiple categories⁽¹⁾

Proprietary data algorithms and machine learning power talent curation



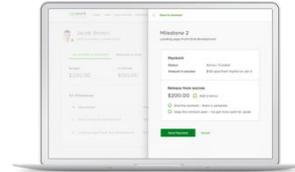
Our end-to-end software functionality creates a seamless workflow & sticky user base



- Talent search engine
- Proposal tracking system
- Job board
- Contracting tools



- Collaboration tools
- Messaging app
- Voice & video calling



- Time tracking
- Invoicing & billing
- Secured escrow
- Freelancers in 180+ countries receiving payments



- Two-way reviews
- Private & public feedback
- Data analytics & reports

A purpose-built & differentiated platform to drive trust and user satisfaction

Upwork Platform Data			
User Facing Functions	 <p>iOS app development for eCommerce product ★★★★★ 5.0</p> <p>Public Review & Ratings</p>	 <p>Public & Private Feedback (Two-way)</p>	 <p>TOP RATED</p> <p>Public Job Success Score (Upwork algorithm)</p>
Backend Features	 <p>Fraud Detection & Prevention</p>	 <p>Spam Removal</p>	 <p>Identity Verification & Security</p>
Supporting Tech Stack	 <p>Flexible Cloud Architecture</p>	 <p>Enterprise Grade Availability</p>	 <p>Active Security, Encryption, and Data Protection</p>

↓

60+ NPS scores from both clients & freelancers⁽¹⁾

Note: (1) As of December 31, 2020. NPS is a measure of client and freelancer satisfaction on a scale ranging from negative 100 to 100 based on the standard question: "On a scale of 0 to 10, with 10 being extremely likely, how likely are you to recommend Upwork to a friend or colleague?" NPS is based on users that respond to the survey question after completing a project and users who respond to the survey question once every 60 days. NPS is calculated by using the standard methodology of subtracting the percentage of users that respond that they are not likely to recommend us from the percentage of users that respond that they are extremely likely to recommend us from the percentage of users that respond that they are extremely likely to recommend us.

Upwork Product Offerings

Basic

- ✓ Verified work history and reviews
- ✓ Unlimited proposals
- ✓ Built-in collaboration tools and easy payments

Plus

Everything in **Basic**, and:

- ✓ Dedicated account managers to help you find and hire quality talent fast
- ✓ Project tracking and collaboration tools for teams
- ✓ Tailored search results featuring Top Rated and Rising Talent

Enterprise

Everything in **Plus**, and:

- ✓ Custom configurable contracting and onboarding process
- ✓ Worker classification compliance services
- ✓ Project-based or managed solutions, and dedicated account executive

Financial Highlights

Our business model

91%

of 2020 Total Revenue



Marketplace		
Upwork Basic	Freelancers	Tiered service fees (5% / 10% / 20%) and other
	Clients	Payment fee, FX and other
Upwork Plus	Freelancers	Service fees (5% / 10% / 20%) and other
	Clients	Monthly subscription, payment fee and other
Upwork Enterprise & Other Premium Offerings	Freelancers	Flat service fee
	Clients	Service fees, annual subscription and other
Managed Services		
<ul style="list-style-type: none"> Upwork is responsible for the deliverable Engage freelancers on behalf of the client Directly invoice the client 	Clients Markup on pay rate to freelancers Gross Accounting Treatment GSV = Revenue	

9%

of 2020 Total Revenue



Illustrative revenue recognition and margin profile

Marketplace

Upwork Basic and Plus



Client Spend

\$100



Revenue

~\$12⁽¹⁾

75-80%

~\$9⁽³⁾

Revenue Less COR

Upwork Enterprise



Compliance

\$100



~\$30⁽²⁾

75-80%

~\$23⁽³⁾

Standard

\$100



~\$15⁽²⁾

75-80%

~\$11⁽³⁾

Managed Services



\$100



\$100

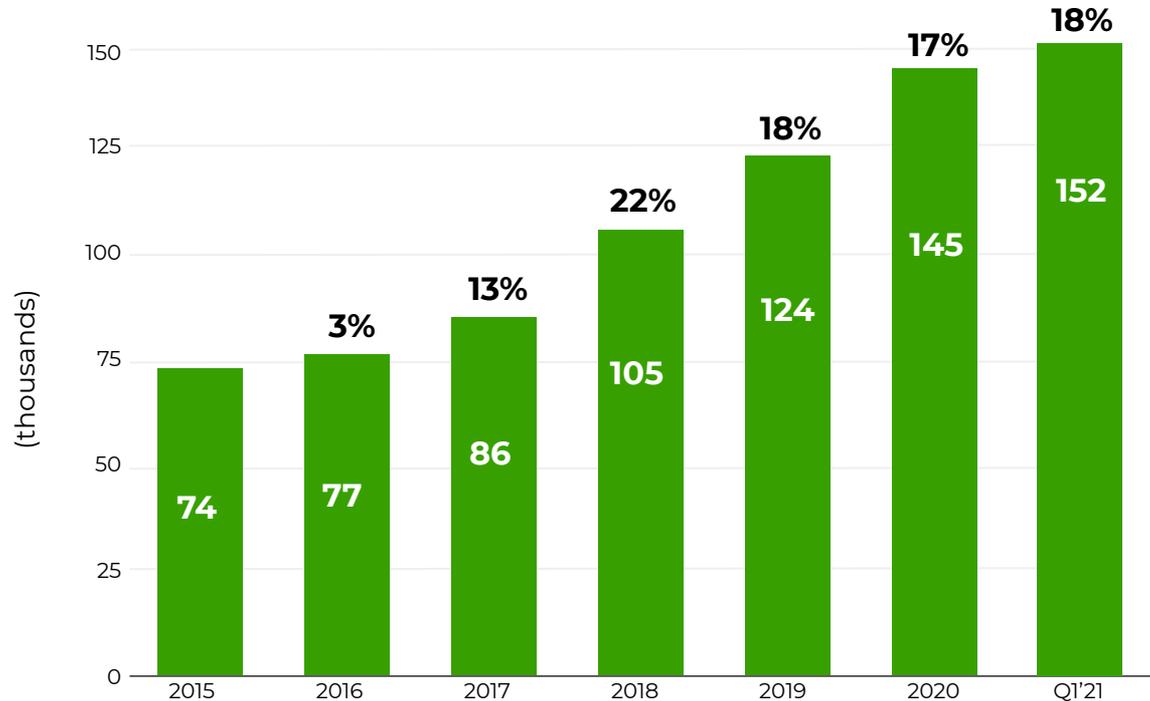
~19%

~\$19⁽⁴⁾

Notes: (1) Revenue does not include FX, payments, and freelancer subscription fees. (2) Illustrative rate assuming enterprise customer pays list price for enterprise compliance & standard, (3) Marketplace COR based on 2020 COR minus costs of freelancer services to deliver Managed Services as a percentage of 2020 Marketplace revenue. (4) Cost of freelancer services to deliver Managed Services based on 2020 cost of freelancer services to deliver Managed Services as a percentage of 2020 Managed Services Revenue.

Large client base with room for expansion

Core Clients⁽¹⁾ & YoY Growth



>80% of GSV⁽¹⁾ on our platform comes from core clients, which represent **~20%** of total clients⁽²⁾

Notes: (1) See appendix for the definition of Gross Services Volume (GSV) and Core Clients. (2) As of December 31, 2020.

Growth Opportunities

Growth opportunities



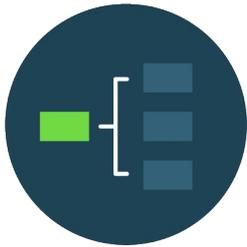
Grow spend from existing clients



Grow work marketplace & brand awareness



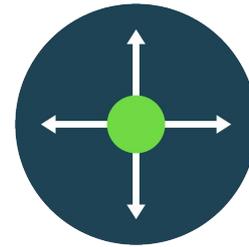
Geographic localization



Category expansion

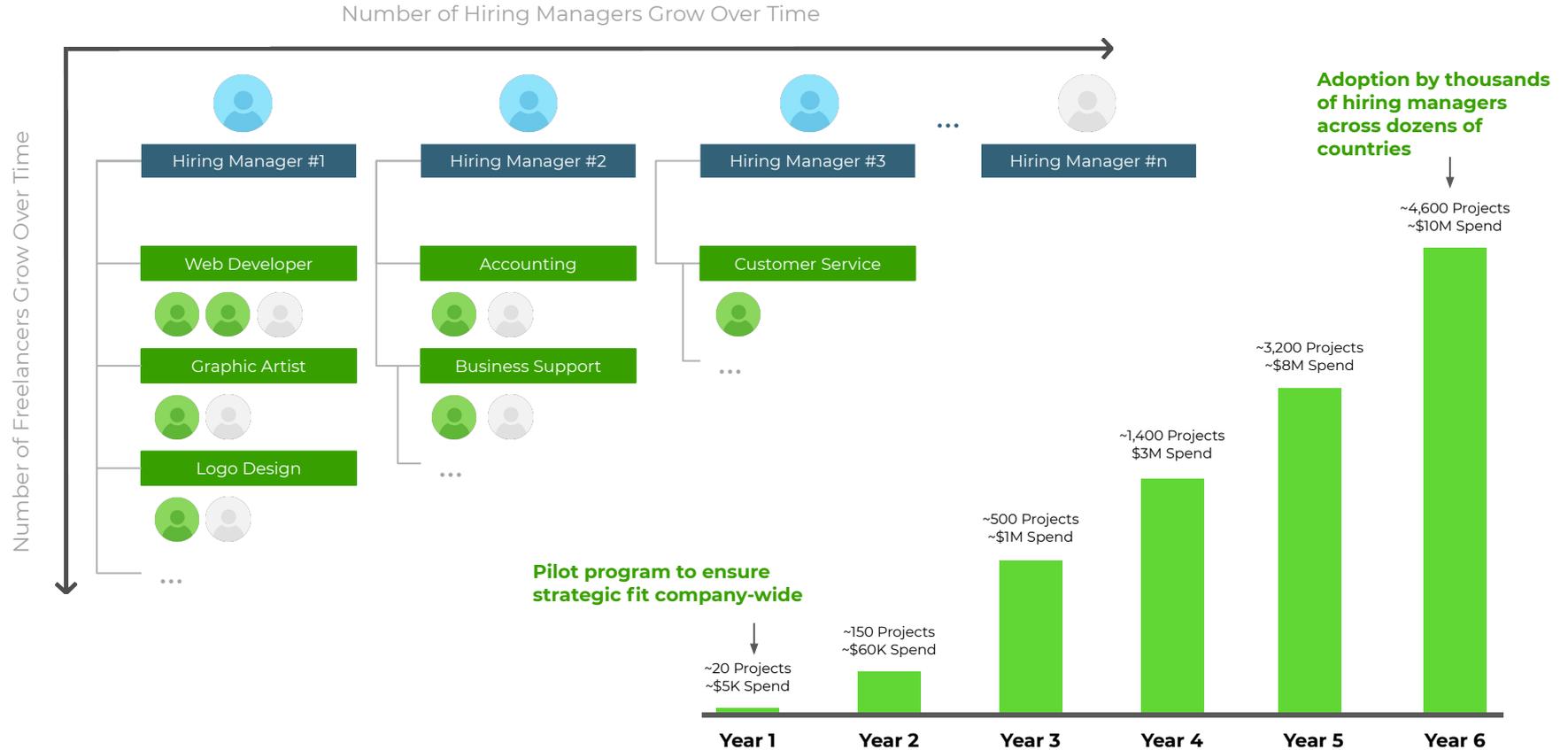


Enterprise sales



Delivery model diversification

Grow spend from existing clients through land & expand



Case Study: Lifecycle of a Fortune 50 Client

Grow Upwork awareness & acquire users



Work Together - "There's Work to Do"



"All In One Place: Upwork is How"



Word of Mouth



Online Marketing



Radio



Streaming Video



Out of Home

Geographic localization (domestic)

U.S. Freelancers

U. S. Clients



John Peterson
Web Developer

Hourly Rate **\$60.00** /hr

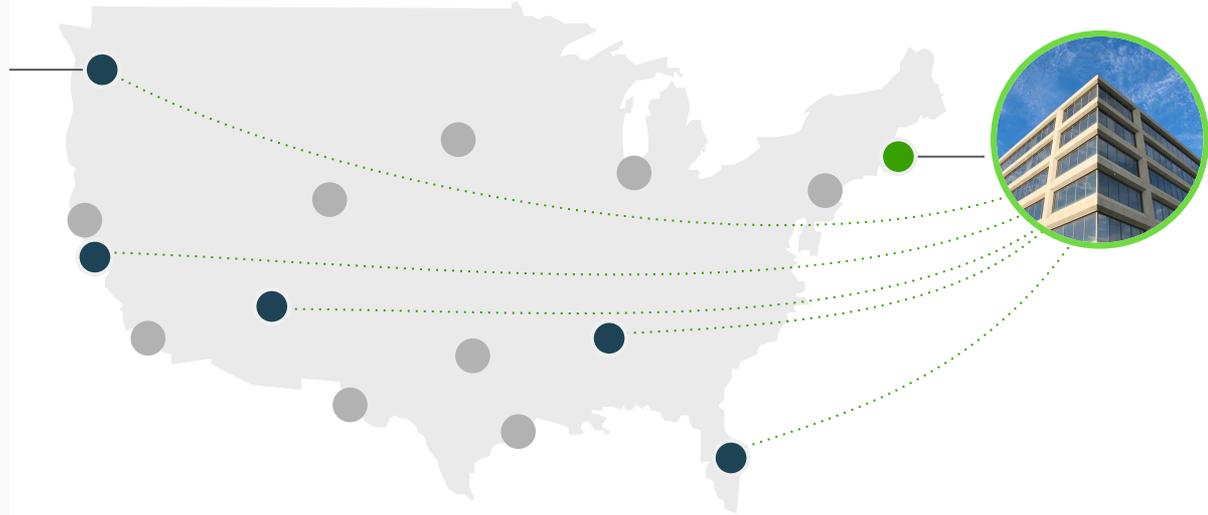
Location **Seattle, WA**

Job Success **100%**

Java C# C++

PHP JavaScript

[Search in the U.S.](#)



✓ Time Zone

✓ Business Culture Fit

✓ Language

Expand and deepen category offerings by tailoring experiences

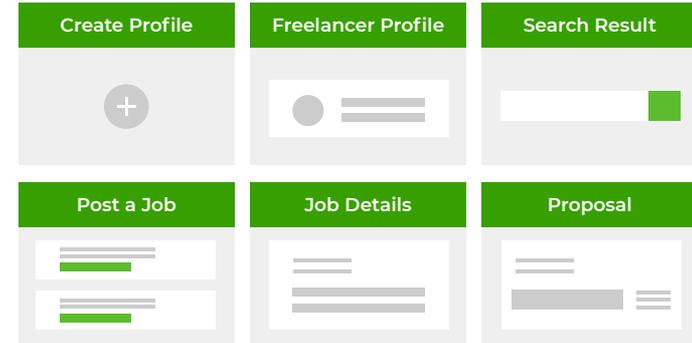
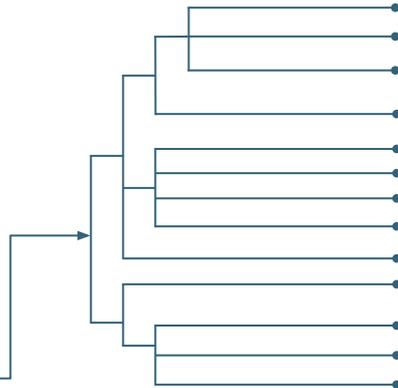
Personalized search by category

Category customizations



Get the word out

Find Writers



- **Richer taxonomy** to improve matching
- **Semantic search** and better browse

- Customize user experience in **target categories**
- Intervene to **balance supply and demand**

Grow enterprise client base through investment in direct sales

30%+

**Fortune 100
Companies on
Upwork⁽¹⁾**

- Scale a dedicated enterprise sales-force to drive land & expand among large clients (250+ employees)

- Upsell on offerings tailored to the enterprise:

Access to premium talent

Custom workflows

Compliance services

Consolidated billing

Premium services

20%

**GSV from
Clients With ≥100
Employees⁽²⁾**

Upwork Team

Proven management team with decades of experience at Upwork and other marketplace and technology companies



Hayden Brown

President & CEO



9 years



McKinsey&Company



Jeff McCombs

CFO



<1 year



facebook

yahoo!



Sam Bright

Chief Product & Experience Officer



<1 year



FORRESTER



Lars Asbjornsen

Marketing



2 years



Robert Half



Eric Gilpin

Sales



5 years



Zoe Harte

HR



8 years



yahoo!



Brian Levey

Legal and Policy



7 years



LATHAM & WATKINS LLP

Appendix: Key financial and operational metrics

Core Clients	We define a core client as a client that has spent in the aggregate at least \$5,000 since it began using our work marketplace and also had spend activity during the twelve months preceding the date of measurement.
Gross Services Volume	Gross services volume, or GSV, includes both client spend and additional fees charged for other services. Client spend represents the total amount that clients spend on both our marketplace offerings and our managed services offering.
Client Spend Retention	We calculate client spend retention by dividing our recurring client spend by our base client spend. We define base client spend as the aggregate client spend from all clients during the four quarters ended one year prior to the date of measurement. We define our recurring client spend as the aggregate client spend during the four quarters ended on the date of measurement from the same clients included in our measure of base client spend.
Marketplace Revenue	Marketplace revenue, which represents the majority of our revenue, consists of revenue generated from our Upwork Basic, Plus, and Enterprise and other premium offerings.
Adjusted EBITDA	We define adjusted EBITDA as net income (loss) adjusted for stock-based compensation expense, depreciation and amortization, interest expense, other (income) expense, net, and income tax (benefit) provision, and, if applicable, other non-cash transactions.

Appendix: Non-GAAP Financial Measures

This presentation includes non-GAAP financial measures. Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.

We use non-GAAP financial measures in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including in 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 measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of 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. We exclude the following items from one or more of our non-GAAP financial measures: stock-based compensation expense (non-cash expense calculated by companies using a variety of valuation methodologies and subjective assumptions), depreciation and amortization (non-cash expense), interest expense, other (income) expense, net, income tax (benefit) provision, and, if applicable, other non-cash transactions.

Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. In particular, (1) stock-based compensation expense 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; (c) tax payments that may represent a reduction in cash available to us; or (d) expense from our common stock warrant issued to the Tides Foundation, which is recurring and will be reflected in our financial results for the foreseeable future. The non-GAAP measures we use may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. We compensate for these limitations by providing specific information regarding the GAAP items excluded from these non-GAAP financial measures. A reconciliation of these non-GAAP measures can be found in our SEC filings available on the SEC website and on our Investor Relations website at investors.upwork.com.

Appendix: GAAP to Non-GAAP Reconciliation

UPWORK INC. RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(In thousands, except for percentages and per share data) (Unaudited)

	Three Months Ended March 31,	
	2021	2020
GAAP Net Loss	\$ (7,835)	\$ (10,021)
Add back (deduct):		
Stock-based compensation expense	11,226	5,537
Depreciation and amortization	3,194	2,308
Interest expense	199	230
Other (income) expense, net	(78)	731
Income tax provision	17	9
Tides Foundation common stock warrant expense	188	188
Non-GAAP Adjusted EBITDA	\$ 6,911	\$ (1,018)
Cost of Revenue Reconciliation:		
Cost of revenue, GAAP	\$ 30,441	\$ 23,485
Stock-based compensation	(201)	(174)
Cost of revenue, Non-GAAP	\$ 30,240	\$ 23,311
% of revenue, GAAP	27%	28%
% of revenue, Non-GAAP	27%	28%

	Three Months Ended March 31,	
	2021	2020
Gross Profit Reconciliation:		
Gross profit, GAAP	\$ 83,178	\$ 59,711
Stock-based compensation	201	174
Gross profit, Non-GAAP	\$ 83,379	\$ 59,885
% of revenue, GAAP	73%	72%
% of revenue, Non-GAAP	73%	72%
Operating Expenses Reconciliation:		
Research and development, GAAP	\$ 26,613	\$ 19,348
Stock-based compensation	(3,297)	(1,950)
Research and development, Non-GAAP	\$ 23,316	\$ 17,398
% of revenue, GAAP	23%	23%
% of revenue, Non-GAAP	21%	21%

Appendix: GAAP to Non-GAAP Reconciliation

UPWORK INC. RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(In thousands, except for percentages and per share data) (Unaudited)

	Three Months Ended March 31,	
	2021	2020
Operating Expenses Reconciliation:		
Sales and marketing, GAAP	\$39,604	\$ 30,678
Stock-based compensation	(1,278)	(928)
Sales and marketing, Non-GAAP	\$ 38,326	\$ 29,750
% of revenue, GAAP	35%	37%
% of revenue, Non-GAAP	34%	36%
General and administrative, GAAP	\$ 23,531	\$ 17,824
Stock-based compensation	(6,450)	(2,485)
Amortization of intangible assets	(667)	(667)
Tides Foundation common stock warrant expense	(188)	(188)
General and administrative, Non-GAAP	\$ 16,226	\$ 14,484
% of revenue, GAAP	21%	21%
% of revenue, Non-GAAP	14%	17%

	Three Months Ended March 31,	
	2021	2020
Loss from Operations Reconciliation:		
Loss from operations, GAAP	\$ (7,697)	\$ (9,051)
Stock-based compensation	11,226	5,537
Amortization of intangible assets	667	667
Tides Foundation common stock warrant expense	188	188
Income (loss) from operations, Non-GAAP	\$ 4,384	\$ (2,659)
% of revenue, GAAP	-7%	-11%
% of revenue, Non-GAAP	4%	-3%

Appendix: GAAP to Non-GAAP Reconciliation

UPWORK INC. RECONCILIATION OF GAAP TO NON-GAAP RESULTS

(In thousands, except for percentages and per share data) (Unaudited)

	Three Months Ended March 31,	
	2021	2020
Net Loss Reconciliation:		
Net loss, GAAP	\$ (7,835)	\$ (10,021)
Stock-based compensation	11,226	5,537
Amortization of intangible assets	667	667
Tides Foundation common stock warrant expense	188	188
Net income (loss), Non-GAAP	\$ 4,246	\$ (3,629)
% of revenue, GAAP	-7%	-12%
% of revenue, Non-GAAP	4%	-4%
Net Loss per Share Reconciliation:		
Weighted-average shares outstanding	125,279	114,119
Net loss per share, GAAP	\$(0.06)	\$(0.09)
Net income (loss) per share, Non-GAAP	\$0.03	\$(0.03)