CREATING A WORLD OF Work Without Limits



Safe harbor

This presentation and the accompanying oral commentary contain "forward-looking" statements based on the beliefs and assumptions of Upwork Inc. (the "Company") and on information currently available to the Company. Forward-looking statements include all statements other than statements of historical fact contained in this presentation, including information or predictions concerning the future of the Company's business, anticipated events and trends, potential growth opportunities, competitive position, technological and market trends, industry environment, potential market opportunities, the economy and other future conditions. Any forward-looking statements made herein or made elsewhere by the Company are made solely based on information available to the Company as of the date hereof and based only on the Company's current beliefs, expectations and assumptions. 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 the Company's control, and you should not rely on such forward-looking statements. The Company makes no representation that the projected results will be achieved, and actual results may differ materially from the Company's expectations. Furthermore, the Company does not undertake any obligation to update or revise any forward-looking statements, to conform these statements to actual results or to make changes in the Company's expectations, except as required by law. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from the Company's expectations is included under the caption "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the three months ended June 30, 2020 filed with the Securities and Exchange Commission (the "SEC") on August 4, 2020 and the Company's other SEC filings.

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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In addition to the U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. The non-GAAP measures have limitations as analytical tools, and you should not consider them in isolation or as a substitute for the most directly comparable financial measures prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. Other companies, including companies in the Company's industry, may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of non-GAAP financial measures as tools for comparison. The Company urges you to review the reconciliation of non-GAAP financial measures to the most directly comparable U.S. GAAP financial measures set forth in the Appendix, and not rely on any single financial measure to evaluate the Company's business.

OUR MISSION

To create economic opportunities so people have better lives.

OUR VISION

To be the #1 flexible talent solution in the world.

Upwork at a glance

Platform Size

\$582M

Gross Services Volume (GSV)⁽¹⁾ in Q220 Revenue

\$88M

Total GAAP Revenue in Q220

Adjusted EBITDA(1)

\$(1.2M)

Adjusted EBITDA in Q220

Client Spend Retention⁽¹⁾

100%

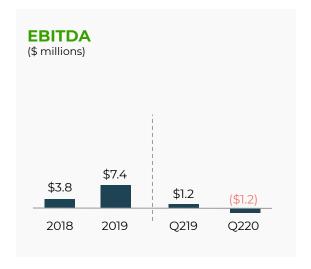
as of June 30, 2020 Core Clients(1)

133.3K

as of June 30, 2020







Upwork investment highlights



Large market
opportunity with
multiple macro drivers



Largest online global freelancer marketplace⁽¹⁾ supported by **software** and **data**



Predictable business model with strong retention metrics



Deep and expanding competitive moats



Multiple **growth** opportunities



Proven and **experienced** management team

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

Freela	ncers (Supply Side)	Clients	s (Demand Side)
	161M Service jobs globally can be performed remotely ⁽¹⁾		63% ⁽²⁾ Have remote workers
CV CV	53% Of GenZ are freelancers ⁽¹⁾		48% Use flex talent ⁽²⁾

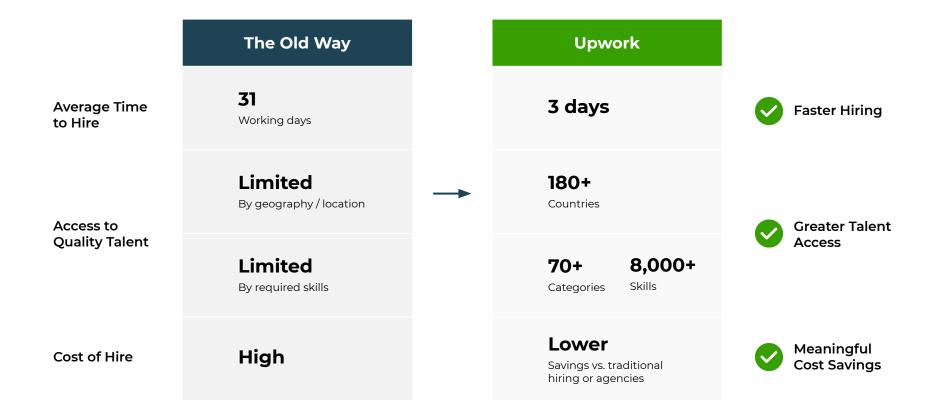
Our marketplace enables a new work paradigm

Freelancers	Clients	
Highly Diverse • Global freelancer base • Diverse skill sets • Individual freelancers to high quality agencies	SMBs (~80% of GSV ⁽¹⁾) • Sole proprietors (some with no employees) • VSBs (1-10 employees) • SMBs (< 100 employees)	
 Highly Qualified 80%+ with college degree⁽²⁾ 34% with post-graduate degree⁽²⁾ Highly curated 	Enterprise (~20% of GSV ⁽¹⁾) GENESYS GODADD Microsoft AMGEN COTY COREL	

Delivering significant value to both constituents

Value for Freelancers	Value for Clients	
Access to quality, flexible projects outside their geographic market	Global access to quality talent across categories	
Get hired quickly	Fast access to talent	
Get paid on-time & securely	Cost effective projects	
Build reputation & find more projects	Trust and verification of freelancers	
Insights on skills in demand	End-to-end suite of workflow tools	

Bringing efficiencies to the labor marketplace



Disrupting the massive labor market



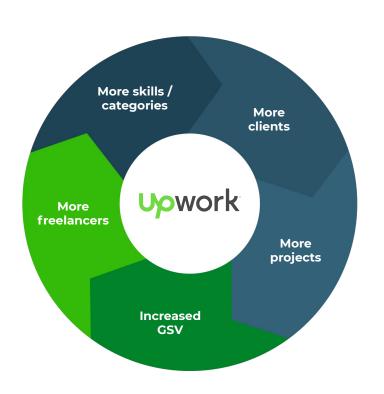
66

By 2025, online talent platforms could add **\$2.7 trillion** to global GDP

McKinsey&Company
MCKINSEY GLOBAL INSTITUTE

Upwork Gross Services Volume⁽¹⁾

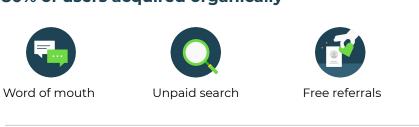
Benefiting from a virtuous cycle that drives scale & competitive moats



Largest online global marketplace⁽¹⁾



80% of users acquired organically⁽³⁾

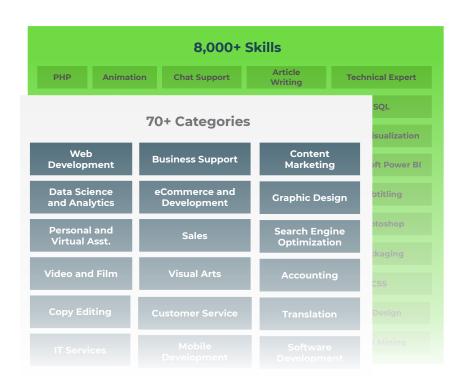


Global freelancer & client reach



More than 8,000 skills in 180+ countries at year-end 2019⁽²⁾

Freelancers offer services in 70+ work categories across 8,000+ skills



Horizontal Marketplace

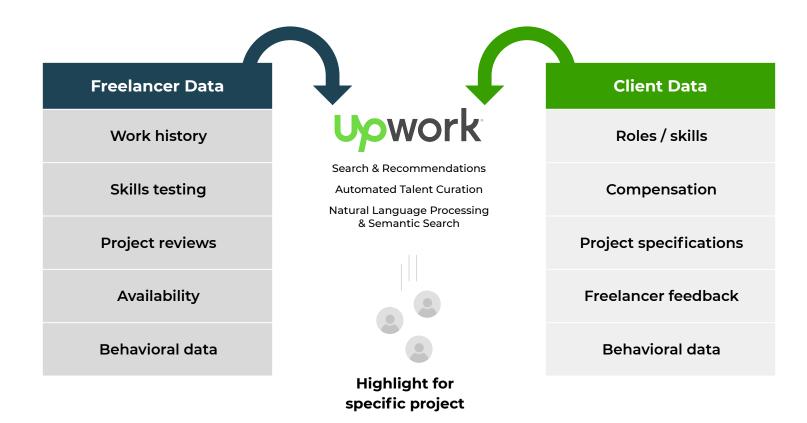
20+

Categories with \$20M+ in GSV⁽¹⁾

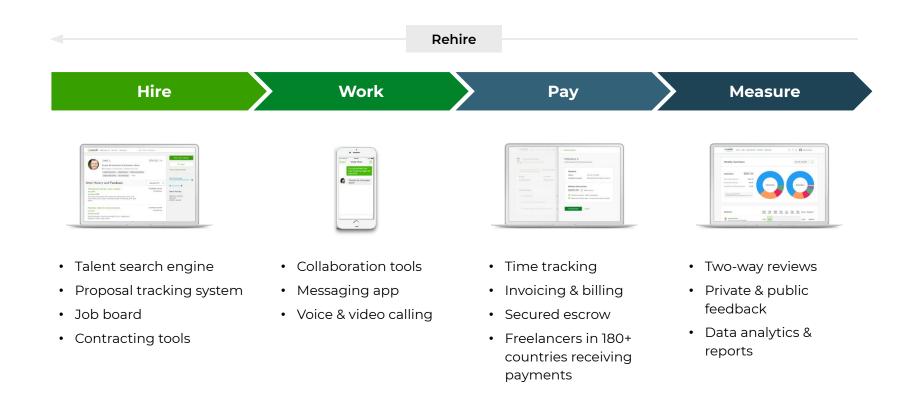
~40%

Clients hired in multiple categories⁽¹⁾

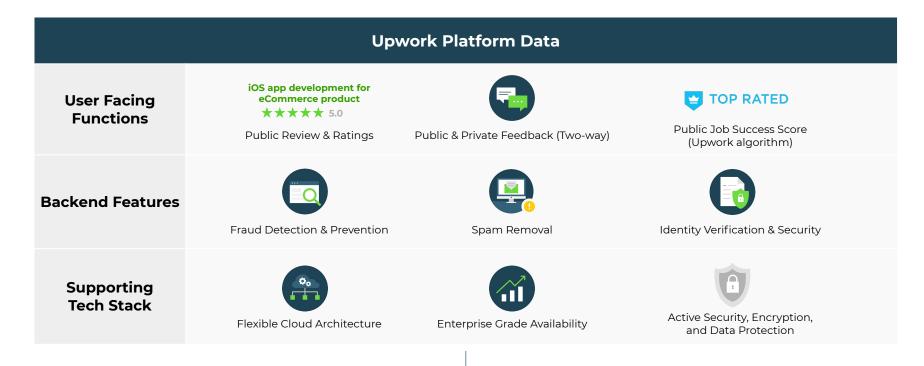
Proprietary data algorithms and machine learning power talent curation



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



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



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

Note: (1) 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.

Upwork Product Offerings

Basic

The essentials to start hiring, today.

- Verified freelancer work history and reviews on Upwork
- Unlimited proposals from freelancers
- Built-in collaboration tools and easy payments

Client fee:

3% of freelancer billing to client

Freelancer fee: 20% of the first \$500, 10% for the next \$9,500, and 5% for any amount over \$10,000 billed to client

Plus

For teams looking to stand out to quality talent and scale hiring fast.

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

Client fees: Approximately \$50 monthly subscription charge; plus 3% of freelancer billing to client (Fee waived if client pays via ACH)

Freelancer fee: 20% of the first \$500, 10% for the next \$9,500, and 5% for any amount over \$10,000 billed to client

Business

For businesses looking for a flexible talent solution that scales with them.

Everything in **Plus**, and:

- Consolidated billing and invoicing with net 30 pay
- Dedicated team of advisors to get you hiring faster and more successfully
- Detailed reporting with company insights and trends

Client fees: Approximately \$850 monthly subscription charge; plus 10% of freelancer billing to client

Freelancer fee: 10% of billing to client, waived if freelancer was brought to the platform by the client due to preexisting relationship ("BYO" program)

Enterprise

For companies looking for a solution that fits into their talent program.

Everything in Business, and:

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

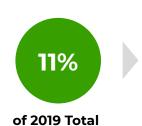
Client fees: Individualized monthly subscription charge; plus 10% of freelancer billing to client (20% if client is using Compliance offering)

Freelancer fee: 10% of billing to client, waived if freelancer was brought to the platform by the client due to preexisting relationship ("BYO" program)

Financial Highlights

Our business model

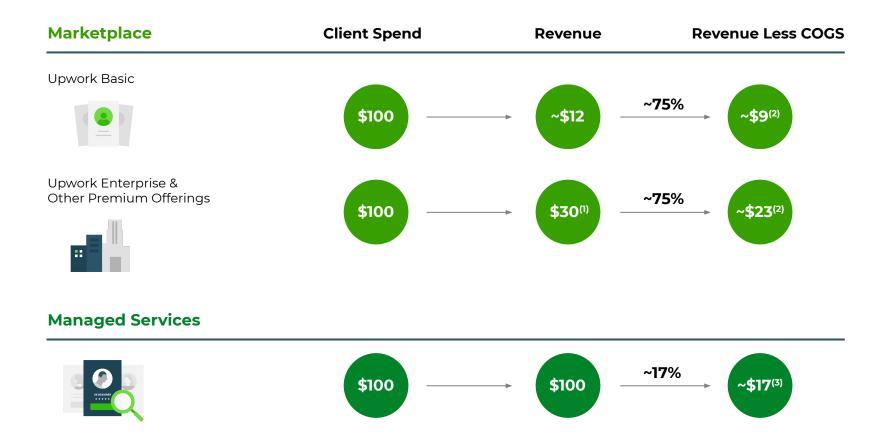




Revenue

Marketplace Marketplace				
Upwork Basic	Freelancers \$ Clients \$	Tiered service fees and other (5%/10%/20%) Payment fee, FX and other		
Upwork Plus	Freelancers \$ Clients \$	Service fees and other Monthly subscription, payment fee and other		
Upwork Business	Freelancers \$ Clients \$	Service fees and other Service fees, monthly subscription and other		
Other Premium Offerings		Flat service fee Service fees, annual subscription and other		
Managed Services				
 Upwork is responsible for the deliverable Engage freelancers on behalf of the client Directly invoice the client 	Clients Gross Accounting Treat GSV = Revenue	Markup on pay rate to freelancers ment		

Illustrative revenue recognition and margin profile

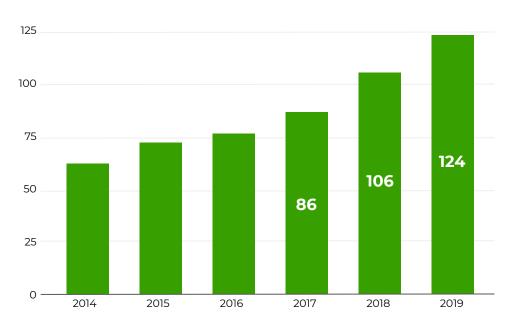


Note: Revenue does not include FX, payments, and freelancer subscription fees. (1) Illustrative rate assuming enterprise customer pays list price for enterprise compliance. (2) Marketplace COGS based on 2019 COGS minus costs of freelancer services to deliver Managed Services as a percentage of 2019 Marketplace revenue. (3) Cost of freelancer services to deliver Managed Services as a percentage of 2019 Managed Services Revenue.

Large client base with room for expansion

Core Clients(1)

(thousands)



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

Growth Opportunities

Growth opportunities



Grow spend from existing clients



Grow platform & brand awareness



Geographic localization

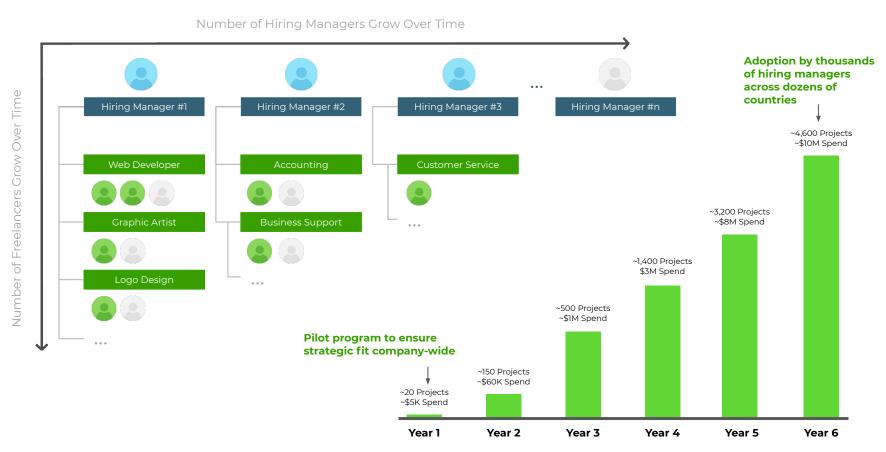


Category expansion



Enterprise sales

Grow spend from existing clients through land & expand



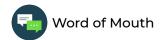
Case Study: Lifecycle of a Fortune 50 Client

Grow Upwork awareness & acquire users

The work we do together today will help get the world back together tomorrow.







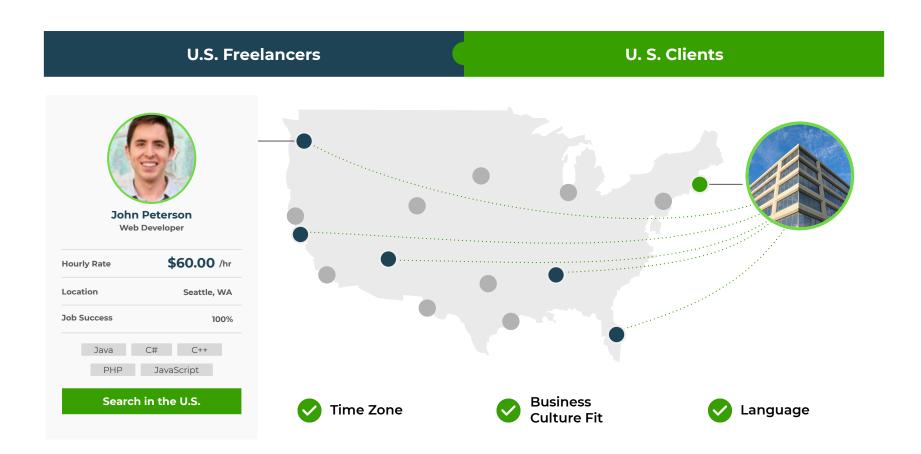








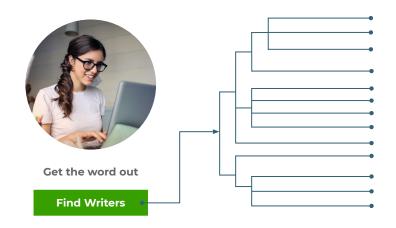
Geographic localization (domestic)

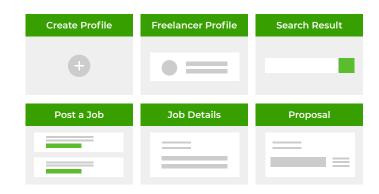


Expand and deepen category offerings by tailoring experiences

Personalized search by category

Category customizations





- **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



 Scale a dedicated enterprise sales-force to drive land & expand among large clients (100+ 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)

Near-Term Growth Opportunities

2020: 3-PRONGED GROWTH STRATEGY



Attract More, Bigger Clients



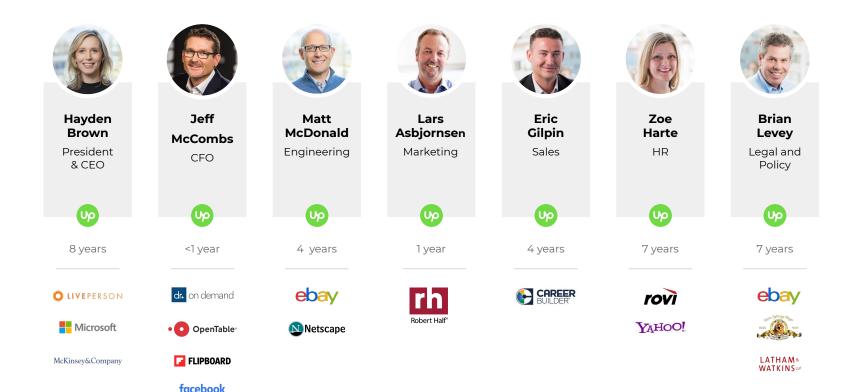
Enable More Spend per Client



Make More High Quality Matches

Upwork Team

Proven management team with over five decades of experience at Upwork and predecessor companies



Note: As of July 2020

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 platform 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 derived from our Upwork Standard, Upwork 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.

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 June 30,	
	2020	2019
GAAP Net Loss	\$ (11,024)	\$ (2,451)
Add back (deduct):		
Stock-based compensation expense	7,134	2,631
Depreciation and amortization	2,478	1,295
Interest expense	258	357
Other (income) expense, net	(248)	(832)
Income tax provision	30	27
Tides Foundation common stock warrant expense	188	125
Non-GAAP Adjusted EBITDA	\$(1,184)	\$ 1,152
Cost of Revenue Reconciliation:		
Cost revenue, GAAP	\$ 25,408	\$ 21,588
Stock-based compensation	(202)	(73)
Cost of revenue, Non-GAAP	\$ 25,206	\$ 21,515
% of revenue, GAAP	29%	29%
% of revenue, Non-GAAP	29%	29%

	Three Months Ended June 30,	
	2020	2019
Gross Profit Reconciliation:		
Gross profit, GAAP	\$ 62,123	\$52,195
Stock-based compensation	202	73
Gross profit, Non-GAAP	\$ 62,325	\$ 52,268
% of revenue, GAAP	71%	71%
% of revenue, Non-GAAP	71%	71%
Operating Expenses Reconciliation		
Research and development, GAAP	\$ 20,547	\$ 15,696
Stock-based compensation	(2,769)	(1,686)
Research and development, Non-GAAP	\$ 17,778	\$ 14,010
% of revenue, GAAP	23%	21%
% of revenue, Non-GAAP	20%	19%

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 June 30,	
	2020	2019
Operating Expenses Reconciliation		
Sales and marketing, GAAP	\$ 34,440	\$ 24,479
Stock-based compensation	(1,312)	(583)
Sales and marketing, Non-GAAP	\$ 33,128	\$ 23,896
% of revenue, GAAP	39%	33%
% of revenue, Non-GAAP	38%	32%
General and administrative, GAAP	\$ 17,102	\$ 14,064
Stock-based compensation	(2,851)	(289)
Amortization of intangible assets	(667)	(667)
Tides Foundation common stock warrant expense	(188)	(125)
General and administrative, Non-GAAP	\$ 13,396	\$ 12,983
% of revenue, GAAP	20%	19%
% of revenue, Non-GAAP	15%	18%

	Three Months Ended June 30,	
	2020	2019
Loss from Operations Reconciliation:		
Loss from operations, GAAP	\$ (10,984)	\$ (2,899)
Stock-based compensation	7,134	2,631
Amortization of intangible assets	667	667
Tides Foundation common stock warrant expense	188	125
Income (loss) from operations, Non-GAAP	\$ (2,995)	\$ 524
% of revenue, GAAP	-13%	-4%
% of revenue, Non-GAAP	-3%	1%

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 June 30,	
	2020	2019
Net Loss Reconciliation		
Net loss, GAAP	\$ (11,024)	\$ (2,451)
Stock-based compensation	7,134	2,631
Amortization of intangible assets	667	667
Tides Foundation common stock warrant expense	188	125
Net income (loss), Non-GAAP	\$ (3,035)	\$ 972
% of revenue, GAAP	- 13%	- 3%
% of revenue, Non-GAAP	- 3%	1%
Net Loss per Share Reconciliation:		
Weighted-average shares outstanding	116,524	108,683
Net loss per share, GAAP	\$ (0.09)	\$ (0.02)
Net income (loss) per share, Non-GAAP	\$ (0.03)	\$ 0.01