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Run smoothly. Change quickly. Achieve more.

Cloud-based enterprise work management software

Upland Software, Inc.

Needham Growth Conference
January 2017



Jack McDonald

Chairman & Chief Executive Officer,

Upland Software

Safe Harbor Statement



This presentation includes “forward-looking statements,”, which are subject to substantial risks, uncertainties and assumptions, subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Accordingly, you should not place undue reliance on these forward-looking statements. Forward-looking statements include any statement that does not directly relate to any historical or current fact and often include words such as "believe," "expect," "anticipate," "intend," "plan," "estimate," "seek," "will," "may" or similar expressions. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: our financial performance and our ability to achieve, sustain or increase profitability or predict financial results; our ability to attract and retain customers; our ability to deliver high-quality customer service; lack of demand growth for Enterprise Work Management applications; our ability to effectively manage our growth; our ability to consummate and integrate acquisitions and mergers; maintaining our senior management and key personnel; our ability to maintain and expand our direct sales organization; the performance of our resellers; our ability to adapt to changing market conditions and competition; our ability to successfully enter new markets and manage our international expansion; fluctuations in currency exchange rates; the operation and reliability of our third-party data centers and other service providers; and factors that could affect our business and financial results identified in Upland's filings with the Securities and Exchange Commission (the "SEC"), including Upland's most recent 10-K, filed with the SEC on March 30, 2016, and our recent Quarterly Report on Form 10-Q filed with the SEC on November 14, 2016. Additional information will also be set forth in Upland's future quarterly reports on Form 10-Q, annual reports on Form 10-K and other filings that Upland makes with the SEC. The forward-looking statements herein represent Upland’s views as of the date of this press release and these views could change. However, while Upland may elect to update these forward-looking statements at some point in the future, Upland specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing the views of Upland as of any date subsequent to the date of this press release.

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$85mm Enterprise Cloud Software Provider[(1)]

- **Built on 100% Customer Success** and long-term sustainable customer relationships
- **Award-winning cloud software** for Project & IT Management, Workflow Automation, and Digital Engagement
- **2,500+ customers** and **250,000+ users**
- **Strong top-line growth** through strategic acquisitions with healthy pipeline of deals and the resources to execute
- **Proven management team** with skin in the game
- **Strong recurring revenue model** with best-in-class[(7)] EBITDA margins

89%[(2)]	70%[(3)]	90+%[(4)]	17%[(5)]	26%[(6)]
Recurring Revenue	Non-GAAP Gross Margin	Annual Net Dollar Retention Rate	Growth Recurring Revenue	Adjusted EBITDA

Source: Company information and management

(1) Based on the annualized mid-point of our total revenue guidance for the quarter ending December 31, 2016 plus annualized total revenue from our most recent acquisition (Omtool) excluding the impact on revenues from the deferred revenue discount as a result of GAAP purchase accounting.
(2) Subscription and support revenue of total revenue for the three months ended September 30, 2016.
(3) Non-GAAP Gross Margin is Gross Margin, calculated in accordance with GAAP, plus the impact of amortization of purchased intangible assets, depreciation expense, and stock-based compensation expenses for the three months ended September 30, 2016.
(4) Based on 2015 actual performance. Represents aggregate annualized recurring revenue value at December 31, 2015 from those customers that were also customers as of December 31, 2014 of the prior year, divided by the aggregate annualized recurring revenue value from all customers as of December 31, 2014.
(5) Year-over-year growth at the mid-point of 1Q 2017 quarterly recurring revenue guidance as disclosed in the January 11, 2017 press release.
(6) Based on mid-point of revenue and Adjusted EBITDA guidance range for Q1 2017 as disclosed in the January 11, 2017 press release.
(7) Best-in-class determined by companies under analyst coverage of our lead IPO investment banking firm, William Blair & Co.

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100% Customer Success

Customers realizing all the value they expect from our software and being delighted by the experience of being an Upland customer

Foundation

- Premier Success Program
- Customer-driven Innovation
- Quality-focused R&D
- Enterprise Cloud Platform

Measure

Net Promoter Score (NPS)

Benefit

- Renewal
- Expansion
- Cross-sell
- Referral
- EBITDA ⬆

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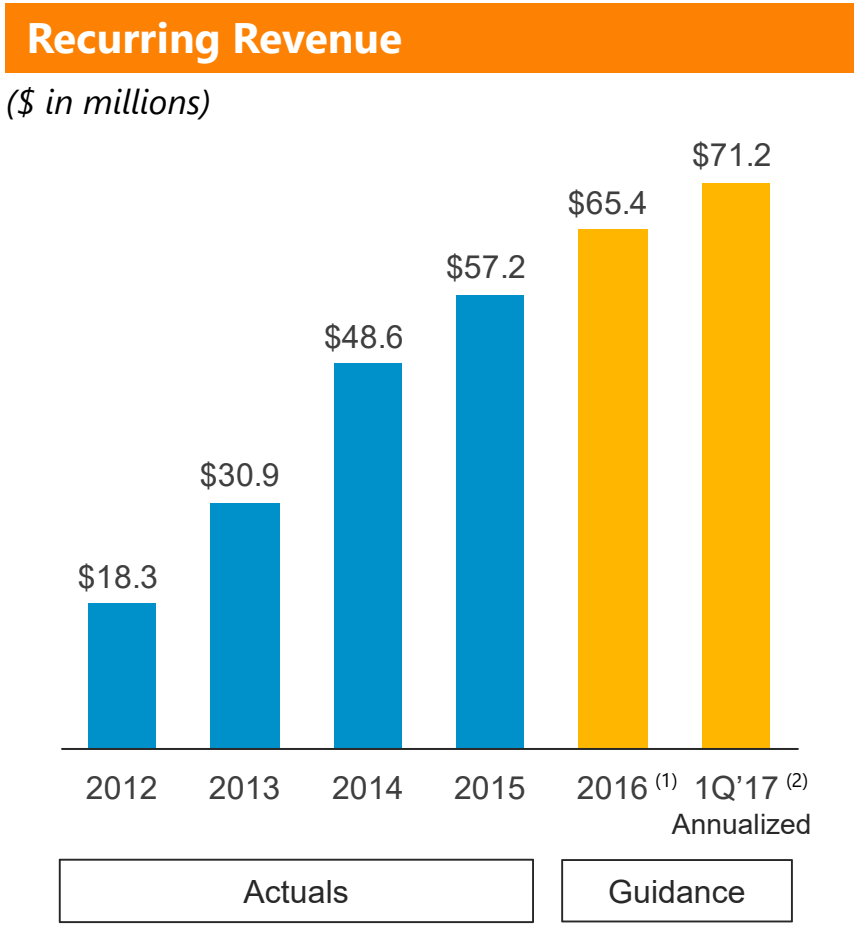
Recurring Revenue Growth Trend



Source: Company information and management.

(1) Full year guidance (at the mid-point) for the fiscal year ended December 31, 2016 as disclosed in the November 10, 2016 earnings release.

(2) Based on guidance mid-point for 1Q 2017 as disclosed in the January 11, 2017 press release.

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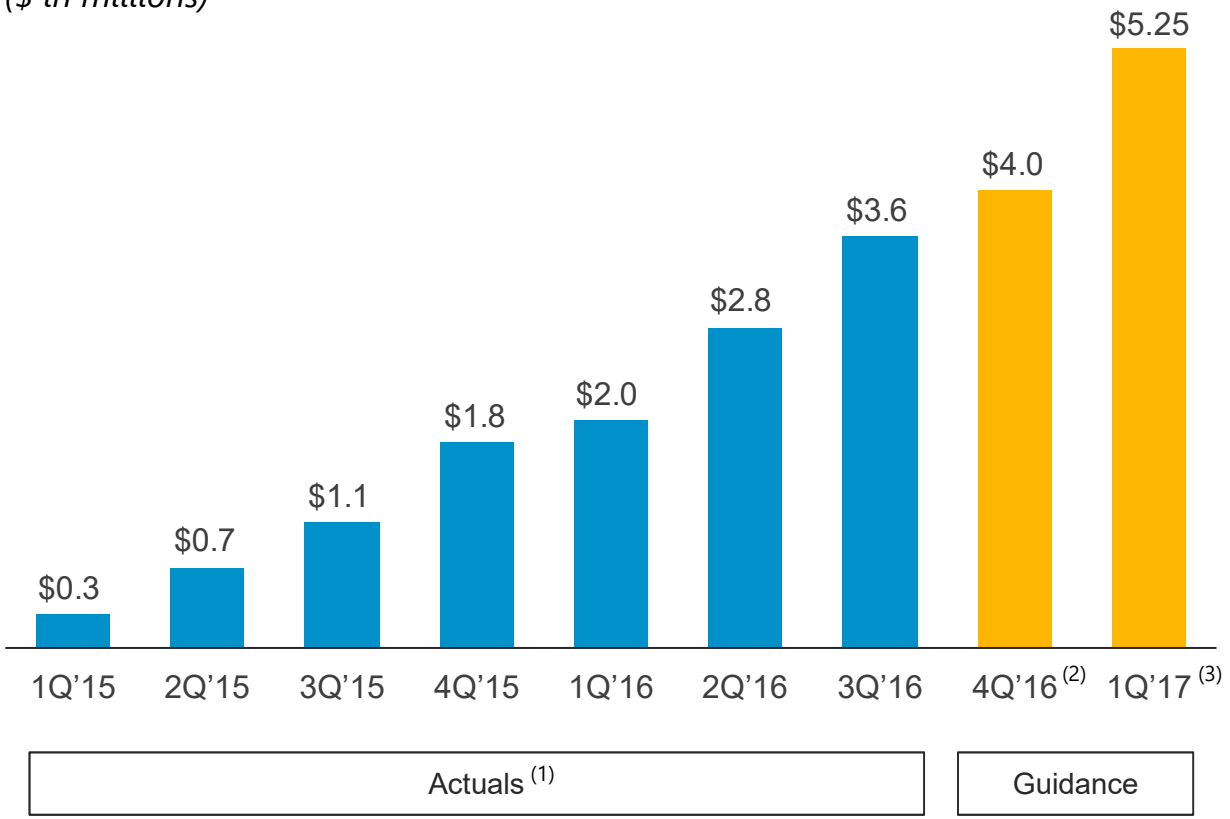
Quarterly Adjusted EBITDA Trend

Adjusted EBITDA

($ in millions)



Source: Company information and management.

(1) Quarterly reported results for periods ending 3/31/15, 6/30/15, 9/30/15, 12/31/15, 3/31/16, 6/30/16 and 9/30/16 (see slide 17 for reconciliation).
(2) 4Q 2016 quarterly guidance (at the mid-point) as disclosed in the November 10, 2016 earnings release.
(3) Based on guidance mid-point for 1Q 2017 as disclosed in the January 11, 2017 press release.

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Recent Developments

- **Solid Q3'16 Results**
  - ✓ Record Adjusted EBITDA @ 19%
  - ✓ 21% year-over-year growth in recurring revenues
- **Strong Q4'16 and Q1'17 Guidance**
  - ✓ Growth in Adjusted EBITDA to 26%(1)
  - ✓ 17% year-over-year growth in recurring revenues(1)
- **Healthy M&A Activity**
  - ✓ Four accretive acquisitions in last twelve months
  - ✓ Expanded $90mm acquisition credit facility with Wells Fargo and CIT
- **Raised Adjusted EBITDA Margin Goal at Scale to 35%**

Source: Company information and management.

(1) 1Q 2017 quarterly guidance (at the mid-point) as disclosed in the January 11, 2017 press release.

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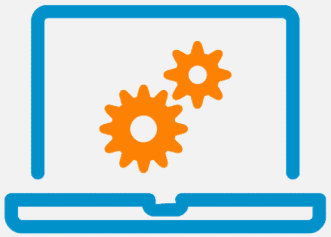
Upland Product Family



Project & IT Management

Manage your organization's projects, professional workforce and IT costs.



Workflow Automation

Real time productivity optimization, collaboration, and functional automation across your organization's value chain.



Digital Engagement

Effectively engage with your customers, prospects and community via the web and mobile technologies.

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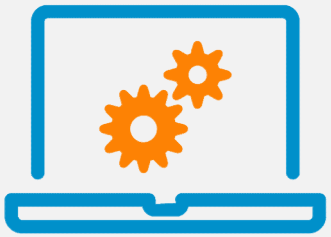
Upland Product Family



Project & IT Management

- Lean Six Sigma/Process Excellence
- Project & Portfolio Management
- Professional Services Automation
- Risk Management
- IT Governance
- IT Cost Management
- New Product Development PPM
- Time & Expense Management



Workflow Automation

- Enterprise Content Management
- Accounts Payable/Receivable Automation
- Human Resources Automation
- Healthcare Records Management
- Contract Process Automation
- Education Workflow Automation
- Government Document Management
- Electronic Kanban
- Collaborative Supply Portal



Digital Engagement

- Application-to-Person Mobile Messaging
- Mobile & Text Marketing
- Web Content Management
- Website Visitor Analytics & Reporting

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Our Customers



PEPSICO

AAA

SAP

MGM GRAND

iHeart MEDIA

GE Healthcare

Swiss Re

pitney bowes

McGraw Hill

jda.

U.S.ARMY

Johnson Controls

COATS

Goldman Sachs

PPG Industries

HARLEY-DAVIDSON MOTOR CYCLES

THE UNIVERSITY OF CHICAGO MEDICAL CENTER

ARAMARK

Adobe

GOODYEAR

Tenaris

MARY KAY.

MUFG Bank of Tokyo-Mitsubishi UFJ

NISSAN

Callaway GOLF

FMC Technologies

Memorial Sloan Kettering Cancer Center

Hewlett Packard Enterprise

PRAXAIR

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Efficient Sales Engine

- Focus is **driving repeat business** with our 2,500+ customers and 250,000+ users
- Target **100%+ NDRRs**
- **Expansion** and **cross-sell**
- **Premier Success** up-sell
- Inside sales
- Focused Field **SWAT team**
- **High-touch** Customer Success program with executive sponsorship



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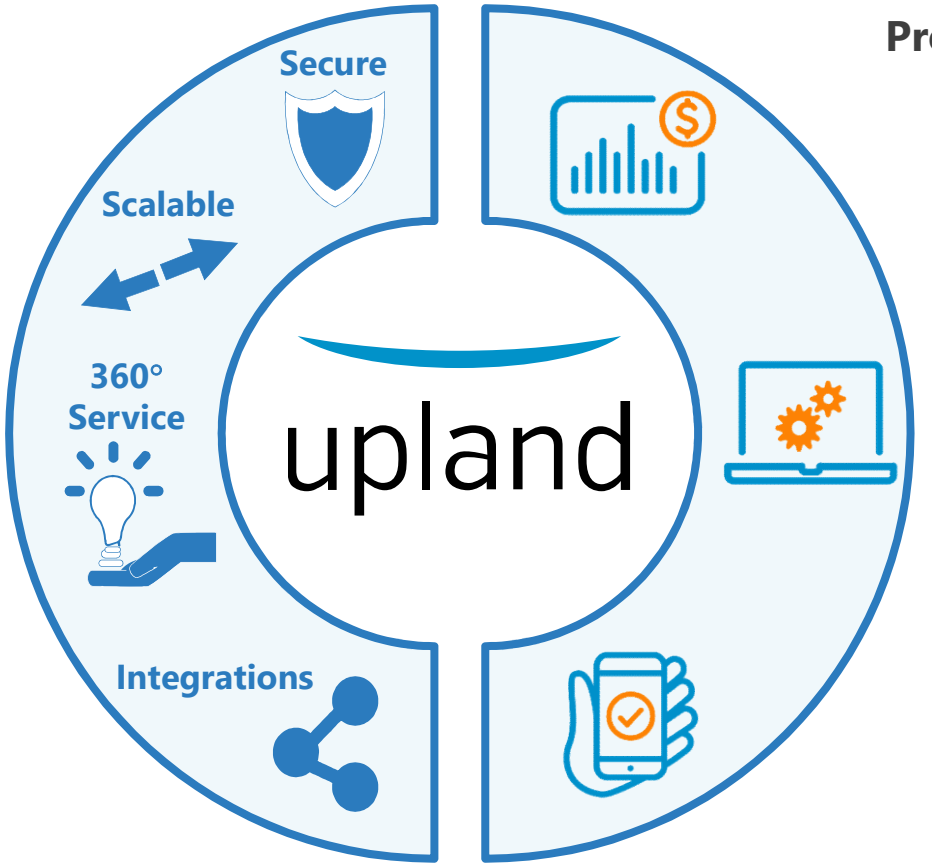
Why Customers Choose Upland

The Upland advantage:
Getting the best of both worlds

Enterprise-Class Partner

Built-for-Purpose Products



Gartner

Visionary Recognition(1)
Highlighted in Gartner Magic Quadrant for Cloud-Based IT PPM (PowerSteering and Eclipse)

Critical Capabilities Recognition(2)
PowerSteering ranked among top three Cloud-Based IT PPM Services product

Recognition(3,4)
Highlighted in Gartner Magic Quadrant for Cloud-Based IT PPM (FileBound) and Market Guide for IT Financial Management (ComSci)

TopTenREVIEWS

INFO-TECH RESEARCH GROUP

3 Products(5,6)
Ranked among leaders in their respective categories

Best of SaaS Showplace BoSS AWARDS

3 Products(7)
Recognized for delivering tangible value to clients via the cloud

GetApp

SIIA CODiE AWARDS

CPA Practice Advisor 4.75

Critical Acclaim(8)
Awarded and featured in numerous publications

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(1) Gartner, Inc. – "Magic Quadrant for Cloud-Based IT Project and Portfolio Management Services" (May 2016)
(2) Gartner, Inc. – "Critical Capabilities for Cloud-Based IT Project and Portfolio Management Service, Worldwide" (Aug. 2016)
(3) Gartner, Inc. – "Magic Quadrant for Enterprise Content Management" (Oct. 2015)
(4) Gartner, Inc. – "Market Guide for IT Financial Management (Jul. 2016)
(5) Info-Tech Research Group (Feb. 2016)
(6) TopTen Reviews.com (Feb. / Mar. 2014)
(7) Best of SaaS Showplace (BoSS) Award (Feb. 2014; July 2013; May 2010)
(8) 2014 SIIA Software CODiE Award Finalist; GetApp Review (Jan. 2014); Stage-Gate Ready (Aug. 2013); CPA Practice Advisors – "Review of Time & Billing Systems" (Dec. 2013)

2017 M&A Strategy

- Acquire $15+ million revenues
- High contribution margin tuck-ins on 3 core platforms
- Disciplined EBITDA multiples
- Adjusted EBITDA per share accretive within first year
- Strong pipeline of deals
- Have the resources to execute
- Proven team has done 35 successful tech acquisitions in 15 years

5	13	5-8x	$20 Billion
Years	Strategic Acquisitions	Average Pro-Forma Adjusted EBITDA (1) Multiple Paid	Invested by VCs

Source: Company information.
(1) See slide 17 for reconciliation.

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Financial Highlights

- Strong top-line revenue growth through acquisitions
- Recurring, predictable revenue model with high renewal rates
- Diversified customer base
- Expanding EBITDA margins through:
  - ✓ Accretive tuck-in acquisitions
  - ✓ Back-end dev, QA, offshore & cloud efficiencies
  - ✓ G&A/fixed cost operating leverage through scale
- $70mm+ of capital resources for M&A



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Operating Targets (as a % of Revenue)

	Excludes Depreciation & Amortization and Stock-based compensation									
	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16	4Q'16[4] *Guidance*	1Q'17[5] *Guidance*	Target Model
Revenue	100%	100%	100%	100%	100%	100%	100%			**100%**
Non-GAAP Gross Margin[1]	68%	68%	68%	66%	67%	70%	70%			**73%**
Research & Development	22%	22%	22%	22%	22%	21%	19%			**14%**
Sales & Marketing	20%	19%	17%	17%	17%	16%	16%			**13%**
General & Administrative	24%[2]	23%	23%	18%	20%	20%	19%			**11%**
Adjusted EBITDA[3]	2%	4%	6%	10%	11%	15%	19%	21%	26%	**35%**

Source: Company information.

(1) Non-GAAP Gross Margin is Gross Margin, calculated in accordance with GAAP, plus the impact of amortization of purchased intangible assets, depreciation expense, and stock-based compensation expenses.
(2) Excludes $371,000 of Non-recurring litigation costs which is an add-back to Adjusted EBITDA.
(3) See slide 17 for reconciliation.
(4) Based on mid-point of revenue and Adjusted EBITDA guidance for Q4 2016 as disclosed in the November 10, 2016 earnings release.
(5) Based on mid-point of revenue and Adjusted EBITDA guidance for Q1 2017 as disclosed in the January 11, 2017 press release.

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Appendix

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Adjusted EBITDA Reconciliation to Net Loss

We define Adjusted EBITDA as net loss, calculated in accordance with GAAP, plus net income (loss) from discontinued operations, depreciation and amortization expense, interest expense, net, other expense (income), net, provision for income taxes, stock-based compensation expense, acquisition-related expenses, non-recurring litigation expenses, and purchase accounting adjustments for deferred revenue. We believe that Adjusted EBITDA provides useful information to management, investors and others in understanding and evaluating our operating results, however, Adjusted EBITDA should not be considered as an alternative to net loss or any other measure of financial performance calculated and presented in accordance with GAAP and has important limitations as an analytical tool, including that other companies might calculate Adjusted EBITDA or similarly titled measures differently. Because of these limitations, you should consider Adjusted EBITDA together with other financial performance measures, including various cash flow metrics, net loss and our other GAAP results.

Below is a reconciliation of Adjusted EBITDA to net loss, the most directly comparable GAAP measure:

($ in millions)	1Q'15	2Q'15	3Q'15	4Q'15	1Q'16	2Q'16	3Q'16
Net loss	$(3.7)	$(3.3)	$(2.3)	$(4.3)	$(5.6)	$(3.6)	$(2.4)
Depreciation and amortization expense	2.0	2.0	2.0	2.4	2.5	2.5	2.5
Interest expense, net	0.3	0.6	0.5	0.5	0.6	0.7	0.7
Other expense (income), net	0.5	0.0	(0.1)	0.2	0.7	0.3	0.1
Provision for (benefit from) income taxes	(0.2)	0.2	0.2	0.9	0.1	0.2	0.3
Stock-based compensation expense	0.6	0.8	0.6	0.8	0.7	0.9	1.1
Acquisition-related expense	0.5	0.4	0.2	1.4	2.4	1.4	1.0
Non-recurring litigation expense	0.4	-	-	-	-	-	-
Purchase accounting deferred revenue discount	0.1	0.1	-	0.1	0.5	0.4	0.3
Adjusted EBITDA	**$0.5**	**$0.8**	**$1.1**	**$1.8**	**$2.0**	**$2.8**	**$3.6**

Source: Company information and management

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Upland Product Family

	Product	Who It Helps and How	Key Business Value	Primary Industries
Project & IT Management	ComSci by upland	Gives **IT financial leaders and business unit leaders** IT cost data and analytics to support strategic IT & financial decisions.	ITFM drives avg. of 5-10% cost saving through reduced demand by providing usage visibility.	Banking & Finance, Healthcare.
	PowerSteering by upland EclipsePPM by upland	Allows **business leaders and PMO's** to aggregate, compare and manage all projects within a portfolio; assign approval and priorities.	Reduce costs and ensure on-time, on-budget delivery of the right projects.	Banking & Finance, Healthcare, Manufacturing , Government.
	Tenrox by upland	Gives **professional and business services** teams a centralized way to manage their services business. From resource skills & availability to expense management and billing.	Maximize profitability through accurate revenue & forecasting, cost-management and billing.	Manufacturing, Business Services (IT/Software, Management and Engineering Consulting), Software.
Workflow Automation	FileBound by upland	Allows **IT and process owners in departments like Accounts Payable, Contracts Mgt and HR** to automate manual, repetitive manual workflows.	Reduce cost by decreasing cycle-time and eliminating error-prone, paper-based processes.	Banking & Finance, Healthcare, Manufacturing, Government, Business Services, Utilities & Energy, Retail.
	omtool	Empowers secure document process automation for **IT and process owners** through document capture**.**	Enable secure and compliant processing of documents.	Banking & Finance, Legal, Healthcare.
	Ultriva by upland	Empowers **manufacturing plants, suppliers, and manufacturing customers** to benefit from inventory savings, service level improvements, and stock-out reductions while realizing sub-one year ROI.	Reduce costs and improves efficiency by allowing manufacturing companies to collaborate with customers, plants, and suppliers to streamline and optimize material flows.	Industrial & Diversified Manufacturing, Healthcare, Aerospace & Defense, Energy, Automotive, Electronics, Sporting Goods, Consumer Package Goods.
Digital Engagement	MobileCommons by upland	Provides **communications teams, marketers and program managers** a platform for executing, managing and analyzing complex 2-way text messaging campaigns.	Improve program outcomes & engagement levels. 99% of all texts are opened. Average response time is 90 seconds.	Healthcare, Government, Business Services, Non-profits and Advocacy, Consumer Brands, Media & Entertainment.
	Clickability by upland	Gives **marketing teams** and content publishers an easy and non-technical way to automatically publish content to websites without IT or technical help.	Reduce IT costs and increase time to market.	Software & Hardware, Media & Entertainment, Manufacturing, Utilities, Insurance.
	LeadLander by upland	Enhances the ability of **marketing teams** to measure ROI of inbound and outbound efforts by providing detailed site visitor insights. Allows **sales and business development teams** the information for targeted messaging to pre-qualified leads.	Maximize campaign ROI and efficiency through targeted lists of qualified leads.	Used across industries by sales, marketing and business development teams.

Case Study:
Project & IT Management

PowerSteering by upland



- **Challenge**
  - A **Fortune 500**, multi-national conglomerate producing automotive interiors, HVAC equipment and controls, Johnson Controls needed an **enterprise-level project tracking tool** for a massive Six Sigma initiative
  - The organization sought a tool that would support global, cross-divisional, **Six Sigma resources**
- **Results**
  - Over **70%** of continuous improvement project savings gained
  - Reducing energy usage and GHG emissions
  - Tracking savings of over **$500 million** each year
  - Saving more than **$3 billion** since 2009

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Case Study: Workflow Automation

FileBound by upland

The Scoular Company®

- **Challenge**
  - A global agricultural marketing company, with more than **120 locations in North America, South America, and** Asia, impacting global grain transport for use in food, feed, and renewable fuels, needed an enterprise tool to manage supply chain documentation.
  - The organization lacked visibility into workflow and resource management in commodity weight tickets, purchase and sale contracts, pricing agreements, payable invoices, and reports.
- **Results**
  - Scoular uses FileBound technology to support over **800 users**, managing **over 50 workflows.**
  - The organization has achieved an efficiency gain of over **300%** within one year of implementation.
  - The organization saved more than **$1.7 million** in 2015 using FileBound.

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Case Study:
Digital Engagement

Mobile Commons by upland

nickelodeon™

- **Challenge**
  - Viacom's global cable TV network for kids needed an effective method for communicating with busy parents and millennials, to provide **program** and **brand-related educational information**, **quizzes**, **conversation ideas**, **holiday-themed content**, and **"tune-in" reminders**.
- **Results**
  - Nickelodeon leveraged Mobile Commons to **build a base of 200,000** unique SMS subscribers, helping transform traditional, static TV channels into an interactive experience, keeping subscribers engaged and Nickelodeon programming **top-of-mind** with **evergreen campaigns**.
  - Mobile Commons is **critical to every large scale SMS campaign**, serving as the primary method for engagement, activation, and reporting.

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