

Risk Factors Comparison 2025-02-13 to 2024-02-15 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, as well as the other information in this Annual Report, including our consolidated financial statements and the related notes and “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations. ” The occurrence of any of the events or developments described below, or of additional risks and uncertainties not presently known to us or that we currently deem immaterial, could materially and adversely affect our business, results of operations, financial condition, and growth prospects. In such an event, the market price of our common stock could decline, and you could lose all or part of your investment. Summary of Risk Factors Some of the more material risks that we face include:

- Our growth depends on our ability to attract and retain a community of talent and clients, and the failure to maintain or grow our community of customers and their activity on our platform in a cost- effective manner or at all could adversely impact our business, **operating results, and financial condition**.
- We have experienced growth in recent periods and expect to invest in our growth in the future. If we are unable to maintain similar levels of growth ~~or manage our growth effectively~~, our business, operating results, and financial condition could be adversely affected.
- We continue to evolve our business strategy, offerings and pricing model, and changes that we make can adversely affect our business and make it difficult to evaluate our future prospects.
- **If we are unable to maintain our banking and payment partner relationships on favorable terms, or at all, our business could be adversely affected.**
- **Our business depends in part on the success of our strategic relationships with third parties and their continued performance.**
- We face payment and fraud risks that could adversely impact our business.
- **Customers circumvent our work marketplace, which adversely impacts our business.**
- **We are subject to disputes with or between customers of our work marketplace.**
- **We face risks related to our international community of customers, which could increase as we seek to expand our international footprint.**
- **If the market for independent talent and the services they offer does not grow, our business, operating results, and financial condition could be adversely affected.**
- **If we are ~~not unable~~ -- able to maintain develop and release new offerings and services ~~our~~ -- or successful enhancements to banking and payment partner relationships on favorable terms, or ~~our~~ at all **existing offerings and services**, our business could be adversely affected.**
- Our revenue growth and ability to achieve and sustain profitability will depend in part on being able to increase the productivity, effectiveness, and efficiency of our sales force.
- Our revenue growth depends in part on the success of our strategic relationships with third parties and their continued performance.
- Customers circumvent our work marketplace, which adversely impacts our business.
- Clients sometimes fail to pay their invoices, necessitating action by us to compel payment.
- We are subject to disputes with or between customers of our work marketplace.
- We face risks related to our international community of customers, which could increase as we seek to expand our international footprint.
- Our inability to generate revenue from our Marketplace offerings, which represents a substantial majority of our total revenue, would adversely affect our business, operating results, and financial condition.
- If the market for independent talent and the services they offer develops more slowly than we expect, our growth may slow or stall, and our operating results could be adversely affected.
- If we are not able to develop and release new offerings and services, or develop and release successful enhancements, new features, and modifications to our existing offerings and services, our business could be adversely affected.
- We face intense competition and could lose market share to our competitors, which could adversely affect our business, operating results, and financial condition.
- **If internet search engines’ methodologies or other channels that we utilize to direct traffic to our website are modified to our disadvantage, or our search result page rankings decline for other reasons, our customer growth could decline.**
- If we or our third- party partners experience a security breach, other hacking or phishing attack, ransomware or other malware attack, or other privacy or security incident, our work marketplace may be perceived as not being secure, our reputation may be harmed, demand for our work marketplace may be reduced, our operations may be disrupted, we may incur significant legal costs, fines, or liabilities, and our business could be adversely affected.
- If we fail to ~~develop~~, maintain -- and enhance our brand and reputation ~~cost~~ -- effectively, our business and financial condition may be adversely affected.
- ~~If internet search engines’ methodologies or other channels that we utilize to direct traffic to our website are modified to our disadvantage, or our search result page rankings decline for other reasons, our customer growth could decline.~~
- Business or system errors, defects, or disruptions could diminish demand, adversely impact our business, operating results, and financial condition, and subject us to liability.
- Our business is subject to extensive government regulation and oversight. Any failure to comply with the extensive, complex, overlapping, and frequently changing laws and regulations, both in the United States and internationally, could adversely impact our business, operating results, and financial condition.
- We have a history of net losses, may increase our operating expenses in the future, and may not be able sustain profitability.
- Our operating results and performance metrics may fluctuate from period to period, which makes our future results difficult to predict.
- We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics may not accurately reflect certain details of our business, are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.
- The stock price of our common stock has been and may continue to be volatile, and you could lose all or part of your investment.
- We cannot guarantee that ~~our~~ **the 2024 Share Repurchase Program Authorization** will be fully consummated or that ~~it~~ **repurchases made under our share repurchase authorizations** will enhance long- term stockholder value. **Share repurchases could also increase the volatility of the trading price of our common stock and diminish our cash reserves.**
- Our indebtedness could limit the cash flow available for our operations and expose us to risks that could adversely affect our business, operating results,

and financial condition. • Adverse or changing economic conditions may negatively impact our business. Risks Related to our Business Operations, Execution, and Growth The size of our community of customers, both talent and clients, is critical to our success. Our ability to achieve significant future revenue growth depends, in large part, upon our ability to attract **new and retain** customers ~~and retain existing customers, including large enterprise and other clients with larger, longer-term independent talent needs, as well as talent that meet the criteria sought by such clients~~. Talent have many different ways of marketing their services, securing clients, and obtaining payments from clients, and the competition from offline and online models is significant. Likewise, there may be impediments to talent who would like to use our work marketplace, including geopolitical events such as Russia's invasion of Ukraine in February 2022, which resulted in immediate reductions in activity from customers in the region. Clients have similarly diverse options to find and engage service providers, including other online or offline platforms, staffing firms and agencies, by engaging service providers directly, or by hiring temporary, full-time, or part-time employees directly or through an agency. Clients may decrease **or cease** their use of ~~our work marketplace~~, **or cease using**, our work marketplace and our revenue may be adversely impacted for many reasons, including: if we fail to attract **new talent and retain existing talent**; if the quality or types of services provided **, or the pricing offered**, by talent ~~on our work marketplace~~ are not satisfactory to clients; or if generative artificial intelligence tools provide a suitable replacement for traditional talent tasks. Further, expenditures by clients may be cyclical and may reflect overall macroeconomic conditions or budgeting patterns. Additionally, ~~one we had two client clients that~~ accounted for more than 10 % of our trade and client receivables **as for each of the years ended December 31, 2022-2024 and 2021**. The loss of a key client could have an adverse effect on our business. Customers may stop using our work marketplace and related services if the quality of the customer experience on our work marketplace ~~, including our~~ **or support capabilities or our offerings** ~~our~~ **or services do** ability to provide a secure, reliable, and trustworthy work marketplace, ~~does not meet their expectations or keep pace with the~~ **timing or** quality of the customer experience offered by competitive products and services. Customers may also choose ~~and in the past have chosen~~, to cease using our work marketplace if they perceive that our pricing model ~~, including associated fees, is not in line with the value they derive from our work marketplace~~ **, or for other reasons, including cost-cutting measures**. Our efforts to attract and retain customers may not be successful or cost effective, and if customers, particularly significant clients, **cease stop using**, or reduce their use of ~~our work marketplace and related services for any reason~~, our business, operating results, and financial condition would be adversely affected. We have experienced growth in a relatively short period of time **and expect to invest in our growth in the future**. However, **our historical growth should not be considered indicative of our future performance**, there **There** can be no assurance that we will be able to sustain our historical growth rates or that any future investments in growth will be successful or cost-effective. Moreover, sustaining ~~our the same levels of~~ growth in future periods will become more difficult if macroeconomic uncertainty, **rising elevated** interest rates **, and inflation persist**. **For example, during the year ended December 31, 2024, macroeconomic conditions adversely impacted GSV, which declined 3 % compared to 2023**. To manage ~~our any future~~ growth, we must improve our ~~operational, financial, and management information systems and expand~~, motivate ~~and effectively manage and train our workforce~~ **, and successfully manage the risks, challenges, and uncertainties associated with our business**. If we are unable to ~~manage our growth~~ **grow** successfully without compromising the quality of our offerings or customer experience, or if new systems that we implement to assist in managing our growth do not produce the expected benefits, our business, operating results, **and** financial condition ~~, and ability to successfully market our work marketplace and serve our customers~~ could be adversely affected. Moreover, our historical growth should not be considered indicative of our future performance. We **continue** have encountered, and will encounter in the future, risks, challenges, and uncertainties, including those described in this "Risk Factors" section. If our assumptions regarding these risks, challenges, and uncertainties, which we use to ~~evolve plan and operate our business~~ **strategy**, **offerings** are incorrect or change, or if we do not address these risks successfully, our financial condition and **pricing model** operating results could differ materially from our expectations and those of investors and securities analysts, **as** our growth rates may slow, and our business would be adversely impacted. We have over time evolved, and will **well as** continue to evolve, our sales, marketing, and brand positioning efforts ~~, as well as our business strategy and pricing model~~. We continuously evaluate and revise our current offerings and pricing model and create and test additional offerings, pricing models, features, and services to serve our current and prospective customer base. Changes in our offerings and pricing model and the continued evolution of our business strategy and brand positioning subject us to a number of uncertainties, including our ability to plan for and project future growth and performance. **Creating or modifying offerings is expensive and time consuming, diverts the attention of management, and may not be successful or cost-effective to maintain**. In addition, we have in the past seen, and may in the future see, unexpected or unintended negative effects as a result of changes to our pricing model, offerings, and sales and marketing efforts, including increased customer dissatisfaction, harm to our reputation, increased circumvention rates, reductions in the rate or size of projects that get posted or completed, or a failure to attract and retain customers. ~~These adverse effects~~ **Additionally, implementing changes to business strategies could result in furloughs, layoffs, and reductions in force, such as our restructuring plan announced in October 2024, which we refer to as the Restructuring Plan. If there are unforeseen expenses associated with such realignments in our business strategies, and we incur unanticipated charges or liabilities, then we may not be able to effectively realize the expected cost savings or other benefits of such actions. Any negatively--negative affect impacts resulting from changes to our business strategy, offerings, or pricing model could adversely impact** our business, operating results, and financial condition. **In recent periods, we have..... consist of payment processors and disbursement partners**. We rely on banks and payment partners to provide us with corporate banking services, escrow trust accounts or other regulated accounts, and clearing, processing, and settlement functions for the funding of all transactions on our work marketplace and disbursement of funds to customers. **Our banking and payment partners are critical to our business**, and we may not always have a sufficient surplus of vendors in the event one or more relationships is terminated **or interrupted** for any reason. ~~Our banking~~ **This could occur for a number of reasons, including the following: • our partners may be**

unable to perform the services we require of them, including meeting processing speed and compliance standards; • a failure by us to comply with our partners' compliance standards, which could result in increased rates that they charge us or our customers or a reduction or termination in services or benefits that they provide us with, or termination of our agreement with them altogether, and any remediation efforts undertaken by us to return to compliance may be costly, and time consuming, and divert the attention of management; • our partners may be subject to investigation, regulatory enforcement, or other proceedings that result in their inability or unwillingness to provide services to us or our unwillingness to continue to partner with them; • our partners may be unable to effectively accommodate changing service needs, and we may have difficulty finding suitable partners to accommodate such needs; and • our partners could experience instability, delays, limitations, or closures of their businesses, networks, partners, or systems. In addition, we may be forced to cease doing business with certain partners if payment partners laws, regulations, or rules change or are critical- interpreted to make it difficult our- or business impossible for us to comply. If we are unable to maintain our agreements with current partners on favorable terms, or at all, or if we are unable to enter into new agreements with new partners on favorable terms, or at all, our ability to collect payments and disburse funds and our business, operating results, and financial condition may be adversely affected. This could occur for a number..... productivity or efficiency of our sales force. To grow our business, we need to continue to establish and maintain relationships with third parties, such as staffing providers, software and technology vendors, and payment processing and disbursement providers. For example, we work with- depend on third- party staffing providers, upon which we are dependent to support our employment offering, Upwork Payroll. We also have also recently established several partnerships that enable have allowed us to integrate generative artificial intelligence tools into our work marketplace aimed at improving customer experience and productivity. As our agreements with third- party partners terminate or expire, we may be unable to renew or replace these agreements on favorable terms, or at all. Some of our strategic partners offer, or could offer, competing products and services or also work with our competitors. Moreover, we cannot guarantee that the parties with which we have strategic relationships will continue to offer the services for which we rely on them at economically reasonable terms or at all or devote the resources necessary to expand our reach, increase our distribution, or support an increased number of customers. Some of our strategic partners offer, or could offer, competing products and services or also work with our competitors. As a result, many of our third- party partners may choose to develop or support alternative products and services in addition to, or in lieu of, our work marketplace. If we are unsuccessful in establishing or maintaining our relationships with third parties on favorable terms, these relationships are not successful in improving our business, or one or more of our third- party staffing partners materially changes its business, our business, operating results, and financial condition may be adversely impacted identity, location, skills, payment information, or other information and the improper acquisition or use of banking or payment information. Bad- We expect that bad actors also may will continue to attempt to use our work- marketplace to engage in unlawful or fraudulent conduct. This conduct may include unauthorized or fraudulent acquisition or use of data, such as money laundering, moving funds to regions or persons restricted by sanctions or export controls, terrorist financing, fraudulent sale of services, bribery, breaches of security, unauthorized acquisition of data, extortion or use of ransomware, distribution or creation of malware or viruses, and piracy or misuse of software and other copyrighted or trademarked content. Our controls relating to customer identity verification and other authentication and fraud detection are complex, require continuous improvement, and may not be effective in detecting and preventing misconduct. Further For example, while we experienced a significant take steps to improve our trust and safety program through the use of algorithms and machine learning techniques, any required or inadvertent disclosure of our security techniques or new laws restricting our use of them may make our efforts to prevent fraud or the improper use of our platform less effective and increase in provision for transaction losses in the risk year ended December 31, 2022 due to increased instances of harm fraud, higher chargeback losses, and bad debt losses related to clients of our customers Enterprise Solutions offering. If This conduct on our website controls are not effective, any of the following could result in any of the following, each of which could harm our reputation, divert the attention of management, and adversely impact our business, operating results, and financial condition: • we may be, and historically have been, held liable for the unauthorized use of credit or debit card details and banking or other payment account information and required by card issuers, card networks, banks, and other payment partners to return the funds at issue and pay a chargeback, return, or other fee. If our chargeback or return rate becomes excessive, card networks may also require us to pay fines or other fees or engage in costly remediation efforts, which can be costly and divert the attention of management, or cease doing business with us; • the California Department of Financial Protection and Innovation, which we refer to as the DFPI, or other regulators may require us to hold larger cash reserves or take other action with respect to our internet escrow license or other licenses or licensing regimes; • customers may seek to hold us responsible for losses, may lose confidence in and decrease use of our work marketplace, or publicize their negative experiences; • law enforcement or administrative agencies could seek to hold us responsible for the conduct of or content posted by customers and impose fines and penalties, bring criminal action, or require us to change our business practices, and private actions or public enforcement may increase depending on interpretations of and possible changes to applicable laws intermediary liability provisions such as Section 230 of the Communications Decency Act of 1996; • we may be subject to additional risk and liability exposure, including for negligence, fraud, or other claims, if employees or third- party service providers, including our independent team members talent that provide services to us, misappropriate our- or facilitate the fraudulent use of our or customer banking, payment, or other information or customer information for their own gain or to facilitate the fraudulent use of such information; and • if talent misstate their qualifications, identity or location, provide misinformation about their skills, identity, or otherwise, perform services they are not qualified or authorized to provide, produce insufficient or defective work product or work product with a harmful effect, clients or other third parties may seek to hold us responsible and may lose confidence in and decrease or cease use of our work marketplace; and • we may bring, or seek recourse and have in the past brought, claims against us. We clients and other third parties for their misuse of our work marketplace. Our business

depends on customers transacting through our work marketplace. Despite our efforts to prevent them from doing so, customers circumvent our work marketplace and engage with or take payment through other means to avoid our fees, and it is difficult or impossible to measure the losses associated with circumvention. Enhancements and changes we make to our pricing model, fees, offerings, services, and features may unintentionally cause ~~and may have unintentionally caused in the past,~~ customers to circumvent our work marketplace. In addition, circumvention ~~by customers of our work marketplace~~ is likely to increase during a macroeconomic downturn, as customers may be more cost-sensitive. The loss of revenue associated with circumvention of our work marketplace ~~has an adverse~~ **adversely impact impacts** on our business, operating results, and financial condition. Moreover, ~~our~~ **our** certain changes we make to decrease circumvention by customers have in the past and could again inadvertently result in customer dissatisfaction, increased customer circumvention, and a decline in customer activity. Our efforts to reduce circumvention may be costly or disruptive to implement, fail to have the intended effect or have an adverse effect on our brand or customer experience, reduce the attractiveness of our work marketplace, or otherwise harm our business, operating results, and financial condition. ~~In connection with our Enterprise Solutions offering, and for certain legacy clients, we advance payments to talent for invoiced services on behalf of the client and subsequently invoice the client for such services. In order to maintain these relationships, we have in the past been, and may in the future be, forced to agree to terms that are unfavorable to us, including extended payments terms. In addition, in certain instances, we will advance payment on a talent invoice if the client issues a chargeback or their payment method is declined. In this circumstance, the talent assigns us the right to recover any funds from the client. From time to time, clients fail to pay for services rendered by talent, and as a result, we may incur costs to enforce the applicable agreement or our terms of service, including through arbitration or litigation, and we may not be successful in collecting amounts owed. Furthermore, some clients may seek bankruptcy protection or other similar relief and fail to pay amounts due, or pay those amounts more slowly. Our risk of financial exposure increases if we do not adequately screen clients, do not conduct sufficient credit checks, or otherwise do not adequately monitor clients' spend on our work marketplace. All of these risks are made more likely during a macroeconomic downturn and could result in increased costs to us. Our failure to manage these risks could adversely affect our business, operating results, and financial condition. Our business model involves enabling connections between talent and clients that contract directly through our work marketplace. Talent and clients are free to negotiate any contract terms they choose, but we also provide optional service contract terms that they can elect to use. Disputes sometimes arise between talent and clients, including with respect to service standards, payment, confidentiality, work product, and intellectual property ownership and infringement. If either party believes the contract terms were not met, **the service agreements negotiated between** our standard **customers and our default** terms and some individually negotiated services agreements provide a mechanism for the parties to request assistance from us ~~and, for some contracts, if that is unsuccessful, a provision referring the dispute to a third-party arbitrator. If customer~~ Whether or not talent and clients seek assistance from us, if these disputes are not resolved amicably, the parties might escalate to formal proceedings. Given our role in facilitating and supporting ~~these arrangements~~ **customers' interactions**, claims are sometimes ~~may be~~ brought against us directly and talent or clients ~~may~~ bring us into claims filed against each other, particularly when ~~one party~~ the other customer is insolvent or facing financial difficulties. ~~We generally~~ Through our terms of service and services agreements for premium offerings, we disclaim responsibility and liability for ~~any~~ disputes between customers (except with respect to specified dispute assistance programs and services); however, we cannot guarantee that these ~~terms disclaimers~~ will be effective in preventing or limiting our involvement in customer disputes, ~~or that these terms will be enforceable,~~ or otherwise effectively prevent us from incurring liability. Disputes with or between customers may become more frequent based on ~~the services offered or~~ conditions outside our control, such as a macroeconomic downturn or actions of bad actors seeking to take advantage of other customers. Such disputes, or any increase in the number of disputes, may adversely affect our business, operating results, and financial condition. ~~We~~ Although we currently have a limited physical presence outside of the United States, we have customers of our work marketplace located in over 180 countries ~~including some markets where we have limited experience. In these markets, challenges can be significantly different from those we have faced in existing markets and where business practices may create greater internal control risks. Further, certain skills and services are offered by talent concentrated in countries with higher risks of instability and geopolitical uncertainty. For example, in response to the ongoing war in Ukraine, we decided in March 2022 to suspend business operations in Russia and Belarus, and have prohibited customers in those countries from using our work marketplace for the duration of the suspension. In addition, we engage talent located in many countries to provide services for our Managed Services offering and to us for internal projects, which has also been suspended in Russia and Belarus. In addition, this international customer base subjects our business to risks relating to laws and regulations in jurisdictions outside the United States, as discussed elsewhere in these "Risk Factors."~~ Additional risks inherent in conducting **Conducting** business with an international customer base, engaging talent globally, ~~localizing our work marketplace, and expanding our operations internationally~~ **subject us to significant challenges, uncertainties, and risks, including**, but are not limited to: • varying and overlapping laws and regulations and approaches to enforcement, including with respect to worker classification and data protection and privacy; • difficulties in, and costs of, establishing local brand recognition and staffing, managing, and operating international operations or support functions; • compliance with ~~U. S. and foreign~~ laws designed to combat money laundering and the financing of terrorist activities; • the imposition of taxes on transactions between us and our customers or among our customers, or ~~the imposition of liability on us for~~ **failing** the failure to collect and remit taxes owed by our customers; • tariffs, export and import restrictions, restrictions on foreign investments, sanctions, changes to existing trade arrangements between various countries, and other trade barriers or protection measures ~~including those affecting certain countries with higher risks of instability and geopolitical uncertainty~~; • geopolitical instability and security risks, such as armed conflict and civil or military unrest, political instability, human rights concerns, terrorist activity, ransomware, and cyberterrorism in countries where we have customers and retaliatory actions that governments may take in response, **including the interruption of internet access as a result of any of the foregoing**; • costs of localizing services and business practices,~~

including adding the ability for clients to pay in local currencies or modifying our platform to offer our website in local languages; • changes to laws, regulations, or central bank rules impacting us or our partners that may make payments for services exports more costly, difficult, or impossible to process, or that may reduce the availability of tools like digital wallets and related payment services in important global markets; • **any unenforceability of** contractual provisions that are designed to protect and mitigate against risks, including terms of service, services agreements, arbitration and class action waiver provisions, disclaimers of warranties, limitations of liabilities, releases of claims, and indemnification provisions; ~~could be deemed unenforceable by a foreign court, arbitrator, or other decision-making body~~; • economic weakness or currency-related challenges or crises; • regional or global public health events; • **difficulties in obtaining and protecting our intellectual property rights outside the United States**; • organizing or similar activity by workers, local unions, works councils, or other labor organizations; **and • other risks relating to laws and regulations in jurisdictions outside the United States or, as discussed elsewhere in these “Risk Factors.”** ~~The These risks described above may also make it costly or difficult for us to conduct or expand our operations internationally, particularly in markets where we have limited experience.~~ If we are unable to ~~comply with applicable laws and regulations or manage the complexity of global operations and support an international customer base successfully and in a cost-effective manner, our business, operating results, and financial condition could be adversely affected.~~ Our business depends largely on our ability to attract and retain talented employees, including senior management and key personnel. If we lose the services of Hayden Brown, our President and Chief Executive Officer, or other members of our senior management team or key personnel, we may not be able to execute on our business strategy. Our future success depends in large part on ~~the continued services of our ability to attract, retain, and motivate our senior management and other key personnel and our ability to attract, retain, and motivate them.~~ In particular, we are dependent on the services of Hayden Brown, our President and Chief Executive Officer, and our future vision, strategic direction, work marketplace, and technology could be compromised if she were to take another position, become ill or incapacitated, or otherwise become unable to serve as our President and Chief Executive Officer. We ~~rely on~~ **face intense competition for qualified personnel from numerous technology companies. We may not be able to retain our current leadership team and other key personnel across our or business attract, train, integrate, or retain other highly skilled personnel in the future and may incur significant costs to do so.** Our senior management and other key personnel are all employed on an at-will basis, which means that they could terminate their employment with us at any time, for any reason, and without notice, and we do not maintain any “key-person” life insurance policies. **In addition, changes in our management team resulting from the hiring or departure of executives and other personnel changes including reorganizations of reporting lines of our workforce, such as the Restructuring Plan announced in October 2024, have resulted, and may in the future result, in increased attrition or reduced productivity of our personnel and could negatively impact our ability to attract qualified personnel. Volatility, depreciation, or lack of appreciation in our stock price may also affect our ability to attract and retain key personnel.** If we lose the services of senior management or other key personnel, if our succession plans prove inadequate **to ensure business continuity**, or if we are unable to retain, attract, train, and integrate the highly skilled personnel we need, our business, operating results, and financial condition could be adversely affected. **Acquisitions** ~~There have been, investments and may continue to be, changes in our management team resulting from the hiring or departure of executives, and we have made, and may continue to make, other strategic transactions could~~ changes that have been and will be disruptive to our personnel, such as changes to the composition of our leadership team and other key personnel and reorganizations of reporting lines of our workforce. These changes have resulted, and future personnel changes may result, **in operating difficulties** increased attrition or reduced productivity of our personnel, including due to changes in reporting relationships. Any such changes may also result in a loss of institutional knowledge, cause disruptions to our business, impede our ability to achieve our objectives, or distract or result in diminished morale in, or the loss of, workers. We face intense competition for qualified personnel from numerous software and **harm** other technology companies, particularly with respect to qualified software engineers. We may not be able to retain our current key personnel or attract, train, integrate, or retain other highly skilled personnel in the future, and our personnel may not be productive. We may incur significant costs to attract and retain highly skilled personnel, we may lose employees to our competitors or other technology companies, and our succession plans may be insufficient to ensure business continuity. To the extent we move into new geographies, including internationally, we would need to attract and recruit skilled personnel in those areas. Volatility, depreciation, or lack of appreciation in our stock price, whether due to broader stock market fluctuations or due to conditions and negative investor sentiment affecting us specifically, may also affect our ability to attract new skilled personnel and retain our key personnel. We may be unable to integrate acquired businesses and technologies successfully or to achieve the expected benefits of such acquisitions. We may acquire or invest in additional companies, which may divert our management’s attention, result in additional dilution to our stockholders, and consume resources that are necessary to sustain our business. Our business strategy may, from time to time, include acquiring complementary **business combinations, acquisitions, and dispositions of** products, services, technologies, businesses, or other assets. ~~We also may enter into relationships with other businesses to expand our work marketplace or our ability to provide our work marketplace in foreign jurisdictions, strategic~~ which could involve preferred or exclusive licenses, additional channels of distribution, or investments in, **and commercial and strategic partnerships. However, other- there companies. In addition can be no assurance that we will be successful in identifying, negotiating and consummating strategic transaction opportunities.** ~~these~~ **These** transactions, even if undertaken and announced, may not close, **including due to challenges** and any acquisition, investment, or business relationship may result in unforeseen **obtaining regulatory or other approvals. In** additional ~~addition~~ **addition** operating difficulties, **strategic transactions that do close may involve significant challenges, uncertainties, and risks, including** and expenditures. For one or more of those transactions, we may face the following risks, any of which could adversely impact our business, operating results, and financial condition. We may: • **the potential for our strategic transactions to** use cash that we may need in the future to operate our business or **issue result in**

dilutive issuances of our equity securities that would dilute our **or** stockholders' ownership interest **the incurrence of significant indebtedness**; • become subject **failure of the strategic transaction to advance** different laws and regulations or **our** more stringent scrutiny due to the nature or location of the acquired business **strategy**, products, technologies, or other assets **realize its anticipated benefits**; • incur expenses **disruptions of or our ongoing** assume substantial liabilities; • encounter difficulties retaining key personnel of the acquired company or assimilating acquired operations and employee cultures; • encounter difficulties integrating diverse **diversion of** technologies and systems; • divert management's attention; • become **potential exposure to new or incremental risks associated with the acquired businesses or assets, including becoming subject to different laws and regulations or more stringent scrutiny due to the nature or location of the acquired business, products, technologies, or other assets; • incurring substantial expenses or assuming substantial liabilities, ongoing obligations, or other risks, particularly if we fail to identify or accurately estimate commitments, liabilities, deficiencies, or other risks associated with the acquired businesses or assets; • difficulties retaining key personnel of the acquired company or integrating acquired operations, products, systems, technologies, and employee cultures; • potential exposure** to adverse tax consequences, substantial depreciation, **impairment of goodwill or other intangible assets**, or deferred compensation charges; **or** • **difficulties related** incur debt on terms unfavorable to **being us or that we are unable to repay; or** • **be required to adopt new, or change our** **or modify** existing, accounting policies. **Strategic transactions are inherently risky, may not be successful, and may harm our business, operating results, and financial condition.**

Risks Related to Our Industry, Offerings, and Services We derive, and expect to continue to derive in the near future, the substantial majority of our revenue from our Marketplace offerings. As such, market acceptance of our Marketplace offerings is critical to our continued success. If we are unable to meet customer demands and expectations, earn and maintain customer trust, expand our offerings or the categories of services offered on our work marketplace, develop features that are appealing to customers, or achieve and maintain more widespread market acceptance of our Marketplace offerings, our business operations, operating results, and financial condition may be adversely affected. Demand for our Marketplace offerings is also affected by a number of other factors, including the timing and success of new offerings and services by our competitors, changes to our pricing model, our ability to respond to technological change and to effectively innovate and grow, macroeconomic conditions, contraction in our market, client spending patterns, talent activity levels, the size and price of projects on our work marketplace, changes in adoption of remote work, geopolitical conditions and the other risks identified herein. To the extent these or other factors negatively affect demand for our Marketplace offerings, our business, operating results, and financial condition may be adversely affected. The market for online independent talent and the services they offer is relatively new, rapidly evolving, and unproven, **and it is difficult to predict the size, growth rate, and expansion of this market.** Our future success will depend in large part on the continued growth and expansion of this market and the willingness of businesses to engage independent talent to provide services and independent talent to engage as service providers. It is difficult to predict the size, growth rate, and expansion of this market, whether any expansion will be long-term or temporary, particularly as the labor market and remote work trends continue to be unpredictable and recent challenging macroeconomic conditions continue. The overall demand for independent talent will continue to be impacted by competition in the marketplace, technological developments (including artificial intelligence), and macroeconomic, geopolitical, legal, and regulatory conditions. In **addition** particular, a substantial portion of the services sought by clients and offered by talent on our work marketplace is related to information technology. If, for any reason, the market for information technology services declines or a sufficient number of qualified or desirable talent is not available on our work marketplace to meet our clients' demands, the growth in the number of customers on our work marketplace may slow or decline, and as a result, our business, operating results, and financial condition may be adversely impacted. Furthermore, many businesses may be unwilling to engage independent talent for a variety of reasons, including perceived negative connotations with outsourcing work, quality of work, fraud, privacy, or data security concerns, or the rapidly evolving **regulation of that may impact the demand for independent contractor services more generally, including as discussed further elsewhere in the these risk factor titled "Risk Factors** Our business is subject to extensive government regulation and oversight. Any failure to comply with the extensive, complex, overlapping, and frequently changing laws and regulations, both in the United States and internationally, could adversely impact our business, operating results, and financial condition. " Likewise **Similarly**, with the increased prevalence of remote work and increased flexibility in employment relationships in recent years, more skilled independent talent may choose traditional employment, **reducing the number of qualified or desirable talent available on our work marketplace.** If the market for independent talent and the services they offer does not **grow** achieve widespread adoption, or there is a reduction in demand for independent talent, our business, operating results, and financial condition could be adversely affected. The market for our work marketplace is characterized by rapid technological change, frequent product and service introductions and enhancements, changing customer demands, and evolving industry standards. **We invest substantial resources in researching and developing new offerings and services and enhancing our work marketplace by incorporating additional features, improving functionality, modernizing our technology, and adding other improvements to meet our customers' evolving demands in our increasingly highly competitive industry.** For example, we have recently integrated generative artificial intelligence tools into our work marketplace aimed at improving customer experience and productivity. The introduction of offerings and services embodying new technologies can quickly make existing offerings and services obsolete and unmarketable. We invest substantial resources in researching and developing new offerings and services and enhancing our work marketplace by incorporating additional features, improving functionality, modernizing our technology, and adding other improvements to meet our customers' evolving demands in our increasingly highly competitive industry. The success of any enhancements or improvements to, or new features of, our work marketplace or any new offerings and or services depends on several factors, including overall demand and market acceptance consistent with the intent of such offerings or services, competitive pricing, adequate quality testing, integration with new and existing technologies on our work marketplace and third-

party partners' technologies, and timely completion. We cannot be sure that we will succeed in delivering enhancements or new features or any new offerings and/or services. Any or that any enhancements or new features to our work marketplace or any new offerings and/or services will be successful or may not achieve, and in the past certain features and offerings have not achieved, market acceptance, cost-effectiveness, effective, or the intended effect. In the past, we have experienced, and in the future we may experience, unintended negative effects, including reduced client spend, diminished fill rates for projects on our work marketplace, errors and disruptions on our work marketplace, and customer dissatisfaction from certain modifications to our offerings, services, and features. Moreover, even Even if we do introduce new offerings and/or services, we may experience a decline in revenue from our existing offerings and services that is not offset by revenue from the new offerings or services. In addition, and we may lose experience unintended negative effects from any modifications to our existing offerings, customers that choose to use competing products or services. This could result in a temporary, and features, including reduced client spend, diminished fill rates or for projects on permanent decrease in revenue and adversely affect our business work marketplace, errors and disruptions on our work marketplace, and customer dissatisfaction. The market for independent talent and the clients that engage them is highly competitive, fragmented and rapidly evolving, including due fragmented, and subject to changing technology, shifting needs, and frequent introductions of new competitors as well as new offerings and services. We compete with a number of online and offline platforms and services domestically and internationally, as well as traditional staffing firms. Our main competitors fall into the following categories: • traditional contingent workforce and staffing service providers and other outsourcing providers, such as The Adecco Group, Randstad, Recruit, Allegis Group, and Robert Half International; • online freelancer platforms that serve either a diverse range of skill categories, such as Fiverr, Guru, and Freelancer.com, or specific skill categories; • other online providers of products and services for individuals or businesses seeking work or to advertise their services, including personal and professional social networks, such as LinkedIn and GitHub (each owned by Microsoft), employment marketplaces, platforms providing compliance services, recruiting websites, and project-based deliverable providers; • software and business services companies focused on talent acquisition, management, invoicing, or staffing management products and services, such as Workday; • payment businesses that can facilitate payments to and from businesses and service providers, such as PayPal and Payoneer; • businesses that provide specialized professional services, including consulting, accounting, marketing, and information technology services; and • online and offline job boards, classified ads, and other traditional means of finding work and service providers, such as Craigslist, CareerBuilder, Indeed, Monster, and ZipRecruiter. In addition, well-established internet companies, such as Google, LinkedIn, and Amazon, social media platforms, such as Meta, and businesses that operate driving, delivery, and other commoditized marketplaces, such as Uber Technologies, have entered or may decide to enter our market segment. Some of these companies have launched or may launch, or have acquired or may acquire companies or assets that offer products and services that directly compete with our work marketplace. For example, LinkedIn launched ProFinder in 2016, Open for Business in 2019, and Services Marketplaces in 2021, each of which is a service to connect LinkedIn members with one another for freelance service relationships. Many of these established internet companies and other competitors are considerably larger than we are, have considerably greater financial and other resources than we do, and could offer products and services similar to our offerings for lower fees. We also compete with companies that utilize emerging technologies and assets, such as blockchain, artificial intelligence and machine learning, blockchain, augmented reality, and cryptocurrency, to and machine learning. These competitors may offer products and services that may, among other things, provide automated alternatives to the services that talent provide on our work marketplace, use machine learning algorithms to connect businesses with service providers more effectively than we do, or otherwise change the way that businesses engage or pay service providers or that the way service providers perform work so as to make our work marketplace less attractive to customers. We may face increased competition from these competitors as they mature and expand their capabilities. Internationally, we compete against localized online and offline channels and products and services. Local competitors, or competitors that have invested more in international expansion, have greater brand recognition in other countries and a stronger understanding of local or regional culture and commerce. Some competitors also offer their products and services in local languages and currencies that we do not offer. We also compete against locally sourced service providers and traditional, offline means of finding work and procuring services. In addition, our decision to suspend our business operations in Russia and Belarus in March 2022 may increase the risk that new competitors emerge in the region. Many of our current and potential competitors enjoy substantial competitive advantages, such as: greater name recognition and more prominent brand reputation; pre-existing relationships with desirable clients; more experience with international operations and localization of their offerings; longer operating histories; greater financial, technical, and other resources; more customers; newer technologies and more modern technical infrastructure; greater appeal to certain segments of customers, such as those entering the workforce; and, in some cases, the ability to rapidly combine online platforms with traditional staffing and contingent worker solutions. These companies may use these advantages to offer products and services similar to ours at a lower price, develop competitive products, or respond more quickly and effectively than we do to new or changing opportunities, technologies, standards, regulatory conditions, or customer preferences or requirements. In addition, we compete intensely in more established markets, we also compete in developing technology markets subject to that are characterized by dynamic and rapid technological change, varied business models, and frequent disruption of incumbents by innovative online and offline entrants, businesses. The barriers to entry into these markets can be low, and businesses easily and quickly can launch online or mobile platforms and applications at nominal cost by using commercially available software or partnering with various established companies in these markets. Moreover, current and future competitors may also make strategic acquisitions or establish cooperative relationships among themselves or with others, including our current or future third-party partners. These developments could limit our ability to obtain revenue from existing and new customers. For all of these reasons, we may not be able to compete successfully against our current and future competitors, in which case our business, operating results, and financial condition would be adversely impacted. Our business involves the storage,..... and

financial condition may be adversely affected. We depend in part on internet search engines and other channels to direct a significant amount of traffic to our website and mobile applications. Our ability to maintain the number of visitors directed to our website and mobile applications is not entirely within our control. For example, our competitors' search engine optimization and other efforts such as paid search may result in their websites receiving a higher search result page ranking than ours, or we may make changes to our website or mobile applications that adversely impact our search engine optimization rankings and traffic in order to comply with requirements imposed by regulators, our vendors or third- party partners, or for other reasons. As a result, links to our website may not be prominent enough to drive sufficient traffic to our website, and we may not be able to influence search engine results. In addition, search engines and other channels that we utilize to drive customers to our website and mobile applications periodically change their algorithms, policies, and technologies, sometimes in ways that cause traffic to our website and mobile applications to decline. These changes can also result in an interruption in customers' ability to access our website, a drop in our or search ranking, a misunderstanding among potential customers regarding the functionality or purpose of our work marketplace, or have other adverse impacts that negatively affect traffic on our website or mobile applications. We may also be forced to significantly increase marketing expenditures in the event that market prices for online advertising and paid listings escalate or our organic ranking decreases. Any of these changes could have an adverse impact on our customer acquisition, business, operating results, and financial condition. Our business involves the storage, processing, and transmission of customers' proprietary, confidential, and personal information by as well as the use of and our third- party partners and vendors who store, process, and transmit customers' proprietary, confidential, and personal information. Our We also use third- party partners and vendors who also process certain proprietary and confidential information relating to our business and personal information of our personnel. Our systems, and the systems of our vendors and third- party partners, may be vulnerable to privacy or security incidents, such as computer viruses and other malicious software, physical or electronic break- ins, or vulnerabilities resulting from intentional or unintentional service provider actions, and similar disruptions that could make all or portions of our website or applications unavailable for periods of time. Any privacy or security incident could result in unauthorized access to, misuse of, or unauthorized acquisition of our, our personnel' s, or our customers' data; the loss, corruption, or alteration of data; interruptions in our operations; or damage to our computers or systems or those of our customers. Any of these could expose us to claims, litigation, fines, enforcement actions, other potential liability, and reputational harm. Additionally, ransomware or other malware, viruses, social engineering (including business email compromise and related wire- transfer fraud), impersonation of our company and executives on social media, and general hacking in our industry have become more prevalent and more complex. Bad actors often try to take advantage of us, our customers, and our vendors and third- party partners by using social engineering and other methods to persuade their victims to make fraudulent payments, or to download viruses, ransomware, or other malware into computer systems and networks. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not foreseeable or recognized until launched against a target, we and our vendors and third- party partners may be unable to anticipate incidents or to implement adequate preventative measures. Data security breaches and other privacy and security incidents may also result from non- technical means, such as actions taken by employees or contractors, including talent that we engage on our work marketplace to perform services for us. We have also integrated, and expect to continue to integrate, generative artificial intelligence tools into our platform and products, or our vendors may in turn incorporate generative artificial intelligence tools into their own offerings. We and the providers of these generative artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards with respect to data privacy and protection. If we Any privacy or security incident experienced by us, our vendors, or our third- party partners experience an actual or perceived breach or privacy or security incident, public perception of the effectiveness of our security measures and brand could be harmed result in: unauthorized access to, and we misuse of, or unauthorized acquisition of our, our personnel' s, or our customers' data; the loss, corruption, or alteration of data; interruptions in our operations; or damage to our computers or systems or those of our customers. Any of these could expose us to claims, litigation, fines, enforcement actions, other potential liability, and business reputational harm. In addition, significant unavailability of our work marketplace due to security breaches or other privacy and security incidents could cause customers to decrease or cease their use of or cease using our work marketplace. Any of these effects could adversely impact our business, operating results, and financial condition. We may also need to expend significant resources to protect against or remediate, and to address issues created by, security breaches and other privacy and security incidents. We These liabilities may exceed the amounts covered by our cyber liability insurance; further, we cannot be certain that our cyber liability insurance coverage will extend to or be adequate for liabilities actually incurred, or that insurance will continue to be available to us on economically reasonable terms, at coverage limits we deem prudent, or at all. Depending on the nature of the information compromised, in the event of a security breach or other privacy or security incident, we may also have obligations to notify affected individuals and entities and regulators about the incident, and we may need to provide some form of remedy, such as a subscription to credit monitoring services, pay. We may also face significant fines to one or more regulators, reimburse reimbursement obligations, defend or indemnify third parties, or pay compensation in connection with a class- action settlement settlements (including under the private right of action under the California Consumer Privacy Act of 2018, which we refer to as the CCPA). Such breach Breach notification laws continue to evolve and may be inconsistent between from one jurisdiction jurisdictions to another. Complying with these obligations could cause us to incur substantial costs and harm could increase negative publicity surrounding any incident that compromises our, our customers', our employees', our contractors', or our reputation other confidential, proprietary, or personal information. The We believe that the awareness and integrity of our brand and reputation are important to achieving widespread acceptance and use of our work marketplace and attracting and retaining customers. Successful and efficient promotion and positioning of our brand and business depend on, among other things, the effectiveness of our marketing efforts and brand messaging and our ability to provide a reliable, trustworthy, and useful work marketplace and offerings at

competitive prices. Our marketing programs may not be successful or cost effective, particularly during early phases of new offerings or expansion into new segments, such as international customers and customers who are reluctant to utilize remote or contract workers. Additionally, as more jurisdictions adopt expansive data privacy regulations, an increasing number of customers and website visitors will have the right to opt-out of sharing their personal information for purposes of specific types of online advertising. This may lead to diminished efficacy of our marketing and brand positioning efforts, diminished visitor-to-customer conversions, and increased costs of maintaining compliance. Further, any negative publicity and news coverage relating to us, fraud or other illegal activity conducted by bad actors on our work marketplace, or decisions we make relating to geopolitical or social matters may undermine our brand promotion efforts or harm our reputation. If we fail to promote and maintain our brand successfully, our business, operating results, and financial condition may be adversely affected.

Our systems and operations and those of our customers and third-party service providers and partners have experienced from time to time, and may experience in the future, errors, defects, and disruptions from a variety of causes, including undetected hardware and software errors or defects, natural disasters such as an earthquake, blizzard, hurricane, fire, or flood, and other catastrophic events, including public health events and pandemics, man-made problems such as warfare or terrorism, human error, cybersecurity attacks, power losses, telecommunications or other technological failures, and similar events or circumstances. In particular, catastrophic events in geographical areas where our employees or customers are concentrated could have more severe impacts on our business, and the effects of climate change may increase the frequency and intensity of such events. For example, our corporate headquarters and many key personnel are located in the San Francisco Bay Area, a region known for seismic activity and catastrophic fires. As we expand, we will need an increasing amount of technical infrastructure and continued infrastructure modernization, including network capacity, computing power, and improvements to how we process and store data and transaction information. We may fail to effectively scale and grow our technical infrastructure to accommodate these demands, which may adversely affect our customer experience. We also rely on third-party service providers and infrastructure, including the infrastructure of the internet, to provide our work marketplace. For example, we currently host our work marketplace, serve our customers, and support our operations using Amazon Web Services, a provider of cloud infrastructure services. We do not have control over the operations or the facilities of our third-party service providers, which are subject to risks of errors, defects, and disruptions. In addition, these third parties generally do not have an obligation to renew their agreements with us on commercially reasonable terms, or at all, and we may not be able to switch to another third-party service provider easily or without incremental costs. Any interruption in the provision of services to us by these third parties for any reason or other unanticipated problems could result in interruptions to our work marketplace, and our and these third parties' business continuity and disaster recovery plans may prove to be inadequate. Our work marketplace enables our customers to manage important aspects of their businesses, and any errors, defects, disruptions in service, or other performance or availability problems with our work marketplace, or our inability to adequately prevent or timely detect or remedy errors, defects, or disruptions in service, could harm our brand and reputation, result in security breaches or the loss of critical data, adversely impact our business and the businesses of our customers, impair or jeopardize our partner relationships, result in delays in invoicing of clients or payment to us or talent, negatively impact our ability to obtain or maintain important licenses necessary to operate our business or deliver certain services, or result in claims by customers for losses sustained by them or investigation or corrective action by regulatory agencies. In any such event, we may expend additional resources in order to attempt to resolve the issue. Moreover, we may not carry sufficient business interruption insurance to cover losses that may occur as a result of any such events, and we cannot be certain that insurance will continue to be available to us on economically reasonable terms, or at all. Accordingly, any errors, defects, or disruptions in our work marketplace could diminish demand, subject us to liability, and adversely impact our business, operating results, and financial condition, and subject us to liability. Our ability to attract and retain customers is dependent depends in part on the quality of our customer support, and any failure to offer high-quality support could adversely impact our business, operating results, and financial condition. Our ability to attract and retain customers is dependent in part on the ease of use, trustworthiness, and reliability of our work marketplace, including our ability to provide high-quality support. Our customers depend on our support organization to enforce our terms of service against bad actors, resolve any issues relating to our work marketplace, communicate effectively about their accounts, and assist in their use of our work marketplace, especially large enterprise clients, which expect higher levels of support. In addition, customers of our Managed Services offering depend on our support organization to manage their projects and reach satisfactory project outcomes. Our ability to provide effective support is largely dependent on our ability to attract, resource, and retain service providers who are both qualified and well versed in our work marketplace. The incorporation of generative artificial intelligence into our support tools, either by us or our third-party support partners, may lead to inconsistent quality of experience as these tools are integrated and refined. Offering our website and customer support in only a limited number of languages may negatively impact our relationships with our customers. As we seek to continue to grow our international customer base, our support organization will face additional challenges, including those associated with delivering support and documentation in additional languages. Any failure to maintain high-quality support or effectively communicate with our customers, or any market perception that we do not maintain high-quality support or act professionally, fairly, or effectively in our communications and actions, could harm our reputation, adversely affect our ability to sell our work marketplace to existing and prospective customers, customer demand, and could adversely impact our business, operating results, and financial condition. Our customer growth and engagement on mobile devices depend upon third parties maintaining open application marketplaces and effective operation with mobile operating systems, networks, and standards that we do not control. Mobile devices are increasingly used for marketplace transactions. A significant and growing portion of our customers access our work marketplace through mobile devices and, including through mobile applications. Our mobile applications rely on third parties maintaining party open application store platforms, including the Apple App Store and Google Play, which make current and new applications or new versions of our

mobile applications available for download and use on mobile devices. These platforms may **change** not maintain their **policies** current structures or terms of access, **impose** continue to make our mobile applications or newer versions of our mobile applications available for download, and may charge us additional fees or impose additional requirements, which may be costly and burdensome to meet **support** or our applications, or stop supporting our applications altogether. These changes may **increase our costs or** adversely affect customer experience. Additionally, popular mobile operating systems, such as Android and iOS, could stop supporting our work marketplace or the ability to make payments on our work marketplace at all or on commercially reasonable terms or make changes that degrade the **functionality of** or customer experience on our marketplace. **To** In order to deliver high- quality mobile offerings, it is important that our offerings are designed effectively and work well with a range of mobile devices, technologies, systems, networks, and standards that **we do not are beyond our** control, and we may not be successful in developing relationships with key participants in the mobile industry or in developing offerings that operate effectively. In the event that it is inconvenient or impossible for our customers to access and use our work marketplace on their mobile devices or our competitors develop offerings and services that are perceived to operate more effectively on mobile devices, our business, operating results, and financial condition could be adversely impacted. Risks Related to Legal and Regulatory Matters We and our customers are subject to a wide variety of foreign and domestic laws and regulations. **Laws, regulations, and standards** governing issues that may affect our business, including worker classification, employment, worker health, payments, worker confidentiality obligations and whistleblowing, intellectual property, consumer protection, taxation, privacy, and data security, **These laws and regulations** are often complex and subject to varying **and evolving** interpretations, and, as a result **resulting**, their **in shifting** enforcement and application in practice may change or develop over time. Many of these laws were adopted prior to **certain** the advent of the internet, mobile, and related technologies **technological developments** and, as a result, do not contemplate or address the unique issues of such technologies. In addition, because our website is generally accessible by customers worldwide, we have received **in the past**, and may continue to receive, notices from jurisdictions claiming that we or our customers are required to comply with their laws and regulations. Laws and regulations outside of the United States **regulating areas** that could be interpreted to apply to our business are often **provide less favorable to us than those in the United States, giving** greater rights to competitors, customers, and other third parties **than those in the United States**. Compliance with international laws and regulations may be more costly than expected, may require us to change our business practices or restrict or modify our offerings or obtain certain licenses, and such changes or licensure may not be possible on a reasonable timeline or at all. **As a result**, and the imposition of any such laws or regulations on us, our customers, or third parties that we or our customers utilize to provide or use our services, may adversely impact our business **and**, operating results, **and financial condition**. In addition, we may be subject to multiple complex overlapping legal or regulatory regimes that impose conflicting requirements, including with respect to data protection and privacy, which could lead to additional compliance costs and enhanced legal risks. Regulatory scrutiny on large companies, technology companies **in general**, and companies engaged in dealings with independent contractors, payments, or personal information **and data in particular**, has increased significantly and may continue to increase. New and existing laws and regulations (or changes in interpretation of existing laws and regulations) may be adopted, implemented, or interpreted to apply to our business or our customers, including as a result of new products or features we may introduce or international expansion of our business. In addition, these laws and regulations affect our customers and may affect demand for our work marketplace. If we determine additional legal requirements apply to our business, we may expend resources to comply or obtain licenses, and such efforts may be a distraction to the business or require adverse changes to the manner in which we conduct our business or our work marketplace and may themselves cause regulatory agencies to scrutinize our business, including past practices. It is also possible that certain provisions in agreements with our customers or service providers, or between talent and clients, or the fees we charge, may be found to be unenforceable or not compliant with applicable law. Although we have implemented policies and procedures designed to analyze and support compliance with applicable laws and regulations, there can be no assurance that we will maintain compliance, that our interpretations are or will remain correct, or that all of our employees, contractors, partners, customers, and agents will comply. We have in the past been, and may in the future be, subject to administrative inquiries and audits concerning our compliance with applicable laws and regulations, including the taxation and classification of our workers and the customers of our work marketplace. Any failure or alleged failure **by us or our employees, contractors, partners, customers, or agents** to comply with applicable laws and regulations creates risk for our business and our employees, **partners, contractors**, and customers and could result in enforcement actions or other proceedings, criminal or civil fines and penalties or other actions, civil lawsuits, forfeiture of significant assets, the limitation or suspension of our ability to operate our business or certain services in a particular jurisdiction, damages, interest, loss of export privileges, costs and fees (including legal fees), injunctions, loss of intellectual property rights, whistleblower complaints, termination of agreements by our partners, the diversion of management's attention and resources, or reputational harm and adverse media coverage. Certain **of these** claims may not be covered by our insurance, and we cannot be certain that our insurance coverage will cover liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Any of the foregoing could, individually or in the aggregate, harm our reputation, **reduce demand for our marketplace**, and adversely affect our business, operating results, and financial condition, and we could be required to make costly and burdensome changes to our business practices or compliance programs. Worker Classification Our clients are generally responsible for properly classifying the talent they engage through our work marketplace. Some clients opt to classify talent as employees for certain work, while talent in many other cases are classified as independent contractors. We offer an optional service to customers of our **Enterprise Solutions offering and other** premium offerings through which we help classify talent as employees of third- party staffing providers or independent contractors. For clients of these services, subject to applicable law and the terms of our agreement with the client, we indemnify clients from misclassification risk and make certain warranties to the client, such as to compliance with applicable laws. In addition, we offer other premium offerings where we provide increased assistance to customers to find and

contract with one another, which could increase employment-related risks. Third-party staffing providers employ talent classified as employees for clients, and failure of these staffing providers to comply with all legal and tax requirements could adversely affect our business. We also use our work marketplace to find and engage talent to provide services for us and for our **Managed Services outcomes-based delivery offering offerings**, which subjects us to additional misclassification risk. There is significant uncertainty **and unpredictability** in the worker classification regulatory landscape and the application of worker classification laws, which are **highly fact-sensitive, subject to divergent interpretations by various authorities, and** regularly subject to further regulation, amendment, or re-interpretation. **As a result, and consequently** there is risk to us and **to our** customers that independent contractors could be deemed to be misclassified under applicable law, including as a result of changes in our offerings or brand positioning that we may introduce. **Laws and regulations that govern the status and misclassification of independent contractors are highly fact sensitive and also subject to change as well as to divergent interpretations by various authorities, which can create uncertainty and unpredictability.** For example, in California, Assembly Bill 5, which we refer to as AB 5, went into effect on January 1, 2020 and is widely viewed as expanding the scope of the definition of “employee” for most purposes under California law. **However** Since the enactment of AB 5, **following the law’s effectiveness in January 2020** and subsequent amendments and challenges (including California’s Proposition 22) to the law, there is little guidance from the courts or the regulatory authorities charged with its enforcement and there remains a degree of uncertainty regarding its application. Further, in January 2024, the U. S. Department of Labor published a new final rule regarding the classification of workers as independent contractors or employees under the Fair Labor Standards Act, and while we expect this new rule to have minimal, if any, impact on the independent work relationships formed on our platform, it may increase uncertainty for our customers **and may be delayed or changed again as a result of recently-filed litigation.** Other federal agencies, U. S. states, or jurisdictions outside the United States may enact similar legislation or rules. Even if any new regulations do not directly impact our business, public perception may result in confusion about the standards to be applied when making an employment determination and cause clients to explore alternative arrangements to meet their talent needs. In addition, any developments or changes in the regulatory environment impacting worker classification and independent contractors may reduce the demand for independent contractors **more generally** in one or more jurisdictions and have an adverse effect on our business, operating results, and financial condition. Privacy and Data Protection We receive, collect, store, process, transfer, and use personal information and other customer data. There are numerous federal, state, local, and international laws and regulations regarding privacy, data protection, information security, and the collection, storing, sharing, use, processing, transfer, disclosure, and protection of personal information and other data. We are also subject to the terms of our privacy policies and legal and contractual obligations to third parties related to privacy, data protection, and information security. The regulatory framework for privacy and data protection worldwide is **and is likely to remain for the foreseeable future,** uncertain and complex, and it is possible that **these-- the laws and regulations or other actual or alleged obligations** may be interpreted and applied in a manner that we do not anticipate **or,** that is inconsistent from one jurisdiction to another **and may, or that conflict conflicts** with other rules or our practices. **In addition, public and regulatory scrutiny of and complaints about technology companies in general regarding their data handling or data protection practices has increased and may continue to increase.** We also expect that there will continue to be new laws, regulations, and industry standards concerning privacy, data protection, automated processing, and information security. For example, Europe’s General Data Protection Regulation, which we refer to as the GDPR, the UK General Data Protection Regulation, and Europe’s Digital Services Act impose stringent data protection and data handling compliance requirements and provide for significant penalties for noncompliance. **Additionally,** there is increased focus on automated processing and processing via artificial intelligence that may lead to increased restrictions that could impact our platform’s functionality. For example, we have recently established several partnerships that have allowed us to integrate generative artificial intelligence tools into our work marketplace aimed at improving customer experience and productivity. If regulatory authorities or legal challenges against us or our vendors that provide us with artificial intelligence services impose new restrictions on artificial intelligence in ways that prevent the incorporation of such tools into our platform or limit their functionality, the potential benefits to our business of artificial intelligence may not be fully realized. In California, the CCPA, **in conjunction with its as amended by the** California Privacy Rights Act **amendment,** requires, among other things, covered companies to provide certain disclosures to California consumers and affords such consumers certain rights, including the right to opt-out of certain sales of personal data. The CCPA also provides for civil penalties for violations as well as a private right of action for data breaches that may increase data breach litigation. A growing number of U. S. states have enacted similar or other data protection legislation that have or will go into staggered effect in the near future, and several other states and countries are considering expanding or passing privacy laws in the near term. **Additionally, developments in artificial intelligence may lead to increased restrictions that could impact our platform’s functionality. New regulations or legal challenges could impose restrictions on artificial intelligence in ways that prevent the incorporation of artificial intelligence tools into our platform or limit their functionality, limiting the potential benefits of artificial intelligence to our business.** The enactment of more restrictive laws, rules, regulations, or future enforcement actions or investigations could increase our costs **and,** require us to materially modify our services and features, which we may be unable to complete in a cost-effective manner, or at all, and may limit our ability to store and process customer data or develop new services and features. Furthermore, **any** the costs of **which** compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the adoption and use of, and reduce the overall demand for, our work marketplace. Additionally, violations of applicable laws, regulations, or agreements by third parties we work with may put the data of our customers, employees, contractors, and others at risk, could result in governmental investigations or enforcement actions, fines, litigation, claims, or public statements against us by consumer advocacy groups or others, and could result in significant liability, reduce our customers’ trust in us, and otherwise harm our reputation and adversely impact our business, operating results, and financial condition. Payments Our subsidiary, Upwork Escrow Inc., is licensed as an internet escrow agent

under California's Escrow Law and is subject to regulations applicable to internet escrow agents promulgated by the DFPI. Although we are a licensed internet escrow agent and believe that our operations comply with existing U. S. federal, state, and international laws and regulatory requirements related to escrow, generating interest from customer funds held in escrow, money transmission, and the handling or moving of money, **developments in** the laws and regulations or their interpretations **may, and change changes in,** and our operations and offerings may **change resulting-- result in the application of** new or different regulatory requirements **being applicable** to our business. As a result, we could be required, or choose, to become licensed as an escrow agent or a money transmitter (or other similar licensee) in other states or jurisdictions or as a money services business. It is also possible that we could become subject to regulatory enforcement or other proceedings in states or other jurisdictions with escrow, money transmission, electronic money, or other similar statutes or regulatory requirements related to the handling, storing, or moving of money, and such risk may increase if we are required or choose to pursue additional or different licenses, which could in turn have a significant impact on our business. We may also be required, or choose, to become licensed as a payment institution (or obtain a similar license) under the European Payment Services Directive or other international laws and regulations or may choose to obtain such a license even if not required or **in order** to support new products or services. Any **developments or inconsistencies in the requirements, interpretations, or applicability of** the laws or regulations related to escrow, money transmission, or the handling, storing, or moving of money; material changes to the mandate, purview or regulatory approach at the DFPI; or increased scrutiny of our business may lead to additional compliance costs and administrative overhead. Moreover, to the extent that holding or pursuing escrow, money transmitter, or similar licenses involves complying with other regulatory frameworks, such as GDPR or CCPA, we may experience increased enforcement or other proceedings.

Anti- Corruption, Anti- Money Laundering, and Sanctions We have voluntarily implemented an anti- money laundering compliance program designed to address the risk of our work marketplace being used to facilitate money laundering, terrorist financing, or other illegal activity. However, our program may not be sufficient to prevent our work marketplace from being used to improperly move money or may not satisfy the expectations of our partners or regulators. **In addition, if we or a regulator determine that we are required to comply with the Bank Secrecy Act, 31 U. S. C. § 5311, or similar laws outside of the United States, we may be required to enhance or alter our anti- money laundering compliance program.** We also have policies, procedures, and technology designed to allow us to comply with U. S. economic sanctions laws and prevent our work marketplace from being used to facilitate business in countries, regions, or with persons or entities included on designated lists promulgated by the U. S. Department of the Treasury's Office of Foreign Assets Control, which we refer to as OFAC, and equivalent foreign authorities. Our efforts to comply with OFAC regulations may not be effective, our partners or regulators may determine they are insufficient, or we may be required to comply with new sanctions laws and regulations, which may require us to further revise or expand our compliance program. **For example, as a result of the war in Ukraine, jurisdictions have issued and may in the future issue broad- ranging economic sanctions. The result of such sanctions has negatively affected and may continue to affect our customers and business. Additionally, any additional sanctions could include blocking sanctions targeting Russia and secondary sanctions against banks in China, India, or other markets that have continued to transact with Russian entities, which may disrupt our ability to transact with entities located in those countries.** Given the technical limitations in developing controls to prevent, among other things, the ability of customers to publish on our work marketplace false or deliberately misleading information or to develop sanctions- evasion methods, it is possible that we may inadvertently and unknowingly provide services to individuals or entities that are subject to sanctions or are located in a country subject to an embargo. We are also subject to the U. S. Foreign Corrupt Practices Act, which we refer to as the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, and the UK Bribery Act 2010, and may be subject to other anti- bribery laws in countries in which we conduct activities or have customers. We face significant risks if we fail to comply with the FCPA and other anti- corruption laws. Local customs in international jurisdictions may involve practices that are prohibited by the FCPA or other applicable laws and regulations. We may have direct or indirect interactions with officials and employees of government agencies or state- owned or affiliated entities, and we may be held liable for the corrupt or other illegal activities of third- party intermediaries, our employees, representatives, contractors, partners, and agents, even if we prohibit or do not explicitly authorize such activities. We have implemented an anti- corruption compliance policy, but we cannot ensure that all of our employees, **contractors,** customers, and agents, **as well as those contractors to which we outsource certain of our business operations,** will comply with our **policy policies or agreements** and applicable law, for which we may be ultimately held responsible. Even if we maintain proper controls and remain in compliance with applicable anti- corruption, anti- money laundering, and sanctions laws or regulations, should any of our competitors not implement sufficient controls and be found to have violated such laws or regulations, customer perception of online freelance marketplaces in general may decrease and our business, operating results, and financial condition may be adversely affected.

Export Controls We may be subject to export controls and **other** similar regulations that prohibit the shipment or provision of certain products and services to certain countries, governments, and persons, and new export controls and similar regulations are promulgated from time to time. While we take precautions to prevent aspects of our work marketplace from being exported in violation of export controls, **including implementing internet protocol address blocking and obtaining and relying on licenses and exemptions,** we cannot guarantee that **the these** precautions we take will prevent violations of export **control controls** and similar **laws regulations**. In addition, our customers may be subject to export control laws **that do not apply to us and we may not be able to determine the applicability of such export control laws,** and any violations by **them our customers** could harm our reputation and they could seek to hold us responsible for any monetary losses. In addition, various countries regulate the import and export of certain encryption and other technology, including imposing import and export permitting and licensing requirements, and have enacted and may enact laws that could limit our ability to distribute aspects of our work marketplace or could limit our customers' ability to access our work marketplace in those countries. Any change in **import or export or import** regulations, **economic sanctions** or related legislation, or change in the countries, governments, persons, or technologies targeted by such regulations, could

result in decreased use of our work marketplace by ~~existing or potential~~ customers with international operations and adversely impact our business, operating results, and financial condition. We are vulnerable to intellectual property infringement claims and challenges to our intellectual property rights brought against us by third parties. We operate in a highly competitive industry, and there has been considerable activity in our industry to develop and enforce intellectual property rights. Intellectual property infringement claims against us or our customers or third-party partners could result in monetary liability or a material disruption to our business. We cannot be certain that aspects of our work marketplace, content, and brand names do not or will not infringe valid patents, trademarks, copyrights, or other intellectual property rights held by third parties, including our competitors. Also, we are ~~now, have in the~~ **ordinary course of our business** ~~past been, and may in the future be,~~ subject to legal proceedings and claims relating to the intellectual property of others, including our competitors, ~~in the ordinary course of our business~~. The likelihood of intellectual property-related litigation and disputes may increase as platforms like ours gain more prominence. In addition, the improper use of generative artificial intelligence by customers of our work marketplace may lead to additional claims of intellectual property infringement. Our competitors and other third parties have in the past challenged, and may in the future challenge, our registration or use of our trademarks, including “Upwork,” and other intellectual property rights, and such a challenge, even if unsuccessful, could adversely affect our brand and business. ~~Our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have or trademarks or other rights that pre-date and take precedence over our own.~~ We may also be obligated to indemnify certain clients on our work marketplace or strategic partners or others in connection with such infringement claims, or to obtain licenses from third parties. ~~Some of our infringement indemnification obligations related to intellectual property are contractually uncapped or capped at high amounts.~~ Any litigation or other disputes relating to allegations of intellectual property infringement could divert management attention and resources, subject us to significant legal costs and liability for damages or new licenses, invalidate our proprietary rights, or require us to alter our work marketplace, or marketing strategy or other aspects of our business. Failure to protect our intellectual property could adversely affect our business. Our success depends in large part on our proprietary technology and data. We rely on various intellectual property rights, including patents, copyrights, trademarks, and trade secrets, as well as confidentiality provisions and contractual arrangements, to protect our proprietary rights. ~~If we do not protect and enforce~~ **prevent third parties from infringing upon or misappropriating** our intellectual property rights ~~successfully,~~ **copying or our cost work marketplace, and using information that we regard as proprietary to create products and services that compete with ours. Despite the precautions that we take, our intellectual property is vulnerable to unauthorized access through employee or third-party error** effectively, including if we are unable to protect our ~~or actions~~ trademarks and brand, **theft, cybersecurity incidents, private** ~~our or competitive position~~ **public economic espionage**, business and brand, **and other security breaches and incidents** may suffer, which would adversely impact our operating results. We may not pursue or file patent applications or apply for registration of copyrights or trademarks in the United States and foreign jurisdictions in which we have ~~a an online~~ presence with respect to our potentially patentable inventions, works of authorship, and marks and logos for a variety of reasons, including the cost of ~~procuring~~ or ability to procure such rights and the uncertainty involved in obtaining adequate protection ~~from such applications and registrations~~. Moreover, changes to intellectual property laws and regulations, including U. S. and foreign patent ~~or trademark~~ law, may affect our ability to protect and enforce our intellectual property rights or defend against ~~or offensively assert infringement~~ claims ~~alleging we are infringing others’ rights~~. **The** ~~If the intellectual property rights that we develop are not sufficient to protect our proprietary technology and data, our brand, our business, operating results, and financial condition could be adversely affected. In addition, the laws of some countries do not provide the same level of protection for our intellectual property as do the laws of the United States. As our global reputation grows and we expand our international activities, our exposure to unauthorized copying and use of our work marketplace and proprietary information will likely increase. Despite our precautions, our intellectual property is vulnerable to unauthorized access through employee or third-party error or actions, theft, cybersecurity incidents, private or public economic espionage, and other security breaches and incidents. Third parties may infringe upon or misappropriate our intellectual property, copy our work marketplace, and use information that we regard as proprietary to create products and services that compete with ours. Effective~~ **effective** intellectual property protection may not be available to us in every country in which our work marketplace is available. In addition, many countries limit the enforceability of patents or other intellectual property rights against certain third parties, including government agencies or government contractors. Further, certain countries impose additional conditions on the transfer of intellectual property rights from individuals to companies, which may make it more difficult for us to secure and maintain intellectual property protection. We ~~also may need to expend additional resources to defend our intellectual property rights domestically or internationally, which could be costly, time-consuming, and distracting to management and could impair our business or adversely affect our expansion. If we cannot adequately protect and defend our intellectual property, we may not remain competitive, and our business, operating results, and financial condition may be adversely affected. We rely on trade secrets as an important aspect of our intellectual property program and to cover much of our technology and know-how. We seek to protect our trade secrets and obtain rights in intellectual property developed by service providers through confidentiality and invention assignment or intellectual property ownership agreements with our employees, contractors, and other parties, as well as through implementing acceptable use policies, limiting access to our information and data through technological means, and monitoring and limiting the dissemination of our information and data outside of company-owned information systems. We cannot ensure that these~~ **These** agreements ~~and, or all the terms may not~~ thereof, will be enforceable or compliant with applicable law, ~~or and~~ these agreements and other measures ~~will be may not~~ **effectively** ~~effectively~~ in protecting ~~protect~~ our trade secrets and intellectual property rights. Most of our employees and all of the contractors with which we work are remote, which may make it more difficult to control use of confidential materials, increasing the risk that our source code or other confidential or trade secret information may be exposed. ~~Any failure to~~ **If we do not** protect ~~and enforce our~~ intellectual property ~~rights that we develop~~ or our proprietary technology and data **successfully or cost-effectively, our competitive**

position and brand may suffer, which would adversely ~~impact~~ **impact** our business, operating results, and financial condition. The use of open source software could restrict our ability to market or operate our work marketplace and could negatively affect our business. Our work marketplace incorporates certain open source software. An open source license typically permits the use, modification, and distribution of software in source code form subject to certain conditions. These conditions may require that any person who distributes a modification or derivative work of open source software make the modified version subject to the same open source license. ~~Distributing software that is subject to this~~ **This could** kind of open source license can lead to a requirement that certain aspects of our work marketplace be distributed or made available in source code form. Although we do not believe that we have used open source software in **such** a manner ~~that might condition its use on our distribution of any portion of our work marketplace in source code form~~, the interpretation of open source licenses is complex and, despite our efforts, it is possible that we may be liable for copyright infringement, breach of contract, or other claims if our use of open source software is ~~adjudged not to comply~~ **found non-compliant** with the applicable open source licenses. Moreover, we cannot ensure that our processes for controlling our use of open source software in our work marketplace will be effective. If we have not complied with the terms of an applicable open source software license, we may need to seek licenses from third parties to continue offering our work marketplace and the terms on which such licenses are available may not be economically feasible, **and may be required** to re-engineer our work marketplace to remove or replace the open source software, ~~to discontinue offering our work marketplace if re-engineering could not be accomplished on a timely basis~~, to pay monetary damages, or to make available the source code for aspects of our proprietary technology, any of which could adversely affect our business, operating results, and financial condition. In addition ~~to risks related to license requirements~~, **the** use of open source software can involve greater risks ~~than~~ **and require greater efforts to ensure legal and regulatory compliance compared to those** ~~the associated with~~ use of third-party commercial software, as open source licensors generally do not provide warranties or assurances of title, performance, or non-infringement, nor do they control the origin of the software. There is typically no support available for open source software, ~~and~~ **no assurance** we cannot ensure that ~~the authors~~ **updates will be made to address security risks. Many** of ~~such~~ **the risks associated with the use of** open source software ~~will implement or push updates to address security risks or will not abandon further development and maintenance. Many of the risks associated with the use of open source software, such as the lack of warranties or assurances of title or performance, cannot be eliminated, and could, if not properly addressed, negatively affect our business. Litigation could have a material adverse impact on our operating results and financial condition. From time to time, we are involved in litigation and~~ **other legal proceedings and** make and receive demands and claims threatening possible ~~litigation~~ **legal proceedings**. The outcome of any litigation ~~or other~~ **legal proceeding** (including class actions and individual lawsuits or arbitration), regardless of its merits, is inherently uncertain. Regardless of the merits or ultimate outcome of any claims ~~that have been or may be brought against us or that we may bring against others~~, pending or future ~~litigation~~ **legal proceedings** could result in a diversion of management's attention and resources and reputational harm, ~~and~~ **cause us** we may be required to incur significant expenses and liabilities ~~in connection with these claims~~. We may determine that the most cost-effective and efficient way to resolve a dispute is via settlement, and terms of any settlement agreements are increasingly limited by legislation. Where we can make a reasonable estimate of the liability relating to ~~a~~ pending ~~litigation~~ **proceeding** and determine that it is probable, we record a related liability. As additional information becomes available, we assess the potential liability and revise estimates as appropriate. However, the amount of our estimates could be ~~incorrect~~ **wrong** as determining reserves for pending litigation is a complex, fact-intensive process that is ~~subject to judgment calls and the uncertainties of litigation~~. Any adverse determination related to ~~litigation~~ **a legal proceeding** or adverse terms contained in a settlement agreement could require us to change our technology or our business practices in costly ways, prevent us from offering certain offerings or services, require us to pay monetary damages, fines, or penalties, or require us to enter into royalty or licensing arrangements, and could adversely affect our reputation, business, operating results, and financial condition. If we are deemed to be an investment company under the Investment Company Act of 1940, our results of operations could be harmed. Under Sections 3 (a) (1) (A) and (C) of the Investment Company Act of 1940, as amended, which we refer to as the Investment Company Act, absent an applicable exemption, a company generally will be deemed to be an "investment company" for purposes of the Investment Company Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an "investment company," as such term is defined in either of these sections of the Investment Company Act, including as a result of both the exemption set forth in Section 3 (b) (1) of the Investment Company Act and the safe harbor set forth in Rule 3a-8 of the Investment Company Act. Section 3 (b) (1) of the Investment Company Act provides that a company that would otherwise fit within the definition of an "investment company" under Section 3 (a) (1) (C) of the Investment Company Act will not be required to register as an "investment company" if "it is primarily engaged, directly or through a wholly owned subsidiary or subsidiaries, in a business or businesses other than that of investing, reinvesting, owning, holding, or trading in securities." We believe that we are and hold ourselves out as being engaged primarily in the operation of an online work marketplace, and our historical development, public representations of policy, the activity of our officers and directors, the nature of our present assets, the sources of our present income, and the public perception of the nature of our business all support the conclusion that we are an operating company and not an investment company. Rule 3a-8 under the Investment Company Act provides a nonexclusive safe harbor from the definition of "investment company" for certain research and development companies. We are currently a research and development company and comply with the safe harbor requirements of Rule 3a-8 under the Investment Company Act. As set forth above, we currently conduct, and intend to continue to conduct, our operations so that neither we, nor any of our subsidiaries, is required to register as an "investment company" under the Investment Company Act. If we were obligated to

register as an “ investment company, ” we would have to comply with a variety of substantive requirements under the Investment Company Act that impose, among other things, limitations on capital structure, restrictions on specified investments, prohibitions on transactions with affiliates, and compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would increase our operating and compliance costs, could make it impractical for us to continue our business as contemplated, and could have a material adverse effect on our business. Risks Related to Finance, Accounting, and Tax Matters We have a history of net losses, may increase our operating expenses in the future, and may not be able to sustain profitability. **We** **Until 2023, we have incurred had a history of incurring** net losses **in the past, and as of December 31, 2024**, we had an accumulated deficit of \$ **294.78** **1.5** million. We have made, and expect to continue to make in the future, significant expenditures related to the development and expansion of our business. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. While our GSV and revenue have grown in recent years, we may not be able to sustain the same level of growth in future periods, or at all. **For example, GSV remained relatively flat at \$ 4.** **For example, during** the year ended December 31, **2022-2024 and 2021**, **macroeconomic conditions adversely impacted GSV** we incurred net losses of \$ 89.9 million and \$ 56.2 million, **which declined 3 % compared to** respectively. As of December 31, 2023, **we had an accumulated deficit of.....** the year ended **December 31, 2022**. In addition, although our profitability has improved in recent periods, if our revenue declines or fails to grow at a rate faster than increases in our operating expenses, we will not be able to maintain profitability in future periods and the trading price of our common stock could decline. Our operating results and performance metrics have fluctuated **recently, as they have** in the past, and **may** will likely continue to fluctuate in the future, particularly in **light periods** of macroeconomic uncertainty and **rising elevated** interest rates and inflation. **As a result, you should not rely upon our past operating results and performance metrics as indicators of future performance. You should take into account the risks, difficulties, and uncertainties frequently encountered by companies in highly competitive and rapidly evolving markets.** Our operating results and performance metrics in any given period can be influenced by numerous factors, many of which are unpredictable or are outside of our control, including those described elsewhere in this “ Risk Factors ” section as well as the following: • uncertainty regarding macroeconomic **and political** conditions and demand for our work marketplace; • our ability to **achieve and sustain profitability**; • our ability to generate significant revenue from our Marketplace offerings; • our ability to maintain and grow our community of customers, **including talent that provide the types and quality of services sought by clients on our work marketplace**; • our ability to respond to competitive developments and other market and technological dynamics, such as the emergence of generative artificial intelligence, and introduce new offerings and services or enhance existing offerings; • changes to our pricing model and fee structure, including any resulting changes to our revenue recognition practices; • changes in the spending patterns of clients or the mix of products and services that clients demand; • **the productivity and effectiveness of our sales force**; • repurchases by us of any of our outstanding shares of common stock, including under our Share Repurchase Program, or of our 0.25 % convertible senior notes due 2026, which we refer to as the Notes; • our ability to attract and retain talent that provide the types and quality of services sought by clients on our work marketplace; • the impact of reductions in our workforce or involuntary or voluntary separations, including claims against us from departing employees or others; • fluctuations in gross margin and revenue, including as a result of fluctuations in the use of our Managed Services offering due to our recognition of the entire GSV from our Managed Services offering as revenue, including the amounts paid to talent; • **the productivity, effectiveness, and efficiency of our sales force and the** length and complexity of our sales cycles; • the **success** of our marketing and brand positioning efforts; • the impact of changing, consolidating, or terminating offerings and services; • ongoing uncertainty regarding U. S. and global political conditions; • **the number losses from clients failing to pay invoices, particularly in instances where we advance payments to talent for invoiced services on behalf of the client** customers circumventing our work marketplace and our fees; • the disbursement methods chosen by talent and changes in the mix of disbursement methods offered; • fluctuations in the prices that talent charge clients on our work marketplace; • **ransomware, data security, or privacy breaches or incidents and associated remediation costs and reputational harm**; • increases in, and timing of, operating expenses that we may incur to grow and expand our operations and to remain competitive; • seasonality in the labor market and spending patterns by clients and the number of business days and the number of Sundays (i. e., the day we have the contractual right to bill and recognize revenue for the majority of our talent service fees each week) in any given period, as well as local, national, or international holidays; • **litigation, regulatory investigations or enforcement actions, and adverse judgments, settlements, or other litigation related costs**; • fluctuations in transaction losses; • operating lease expenses, other real estate expenses, and any impairment charges on our operating lease asset and related leasehold improvements being recognized as a general and administrative expense due to a reduction to our office space; • the impact of sales, use, and other tax laws and regulations in jurisdictions in which we have customers; • fluctuations in the mix of payment provider costs and the revenue generated from payment providers; • changes in the law, application of the law (including as a result of changes in our services or offerings), or interpretation of law, or in the statutory, legislative, or regulatory environment; • potential costs to attract, onboard, retain, and motivate qualified personnel to perform services for us; • costs related to the acquisition of businesses, personnel, technologies, or intellectual property; • the impact of outages of, and other errors, defects or disruptions on, our work marketplace and associated reputational harm; • the impact of public health events, such as the COVID-19 pandemic; • fluctuations in trade and client receivables due to the timing of cash receipts from clients and the number of transactions on our work marketplace; • changes to financial accounting standards and the interpretation of those standards that may affect the way we recognize and report our financial results; • general economic and political conditions and government regulations in the countries where we currently have significant numbers of customers or where we currently operate or may expand in the future, and fluctuations in currency exchange rates, **particularly if we are unable to fully offset the adverse financial effects of unfavorable movements in foreign exchange rates through derivative instruments designed to hedge against certain exposures to such fluctuations**; and • revenue recognition fluctuations for arrangements subject to our tiered

pricing model for talent service fees ; • losses and expenses from indemnification, dispute assistance, and other contractual obligations we owe to clients; and • non-cash accounting charges such as stock-based compensation expense, including those related to executive compensation arrangements, and depreciation and amortization. The impact of one or more of the foregoing and other factors may cause our operating results and performance metrics to vary significantly. As such, we believe that period-to-period comparisons of our operating results and performance metrics may not be meaningful and **you** should not **rely** be relied upon **past performance** as an indication- **indicator** of future performance. For example, future period-over-period growth rates of revenue and key performance metrics such as GSV and active clients, when compared against the quarterly and full year results of 2022, may fail to meet the expectations of investors or securities analysts given the accelerated growth experienced during such periods due to the COVID-19 pandemic and the resulting increased adoption of remote work and reduced seasonality experienced during such periods. If we fail to meet or exceed the expectations of investors or securities analysts, the trading price of our common stock could fall substantially, and we could face costly lawsuits, including securities class action suits. We track certain performance metrics, including active clients and GSV per active client, GSV, and Marketplace take rate, with internal tools that are not independently verified by any third-party. Our internal tools have a number of limitations and our methodologies for tracking these metrics may change over time, which could result in inaccurate or unexpected changes to our metrics. If the internal tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. Our performance metrics are also impacted by illegal or improper activity on our work marketplace, including fraud, spam, **and** fake accounts, and other activity that violates our terms of service and service agreements. We are unable to **prevent** identify and remove all fake accounts and fraudulent activity from being reflected in the performance metrics that we report. Accordingly, our performance metrics may not accurately reflect activity on and the performance of our work marketplace. In addition, limitations or errors with respect to how we measure data, or the accuracy of the data that we measure, may affect our understanding of certain details of our business, which could affect our longer-term strategies and our ability to respond to business trends that may negatively impact our performance. If our performance metrics are not accurate representations of our business, customer base, or activity on our work marketplace; if we discover material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, our reputation may be harmed, we may be subject to legal or regulatory actions, and our operating and financial results could be adversely affected. **In addition, from time to time we may change the performance metrics that we track, including metrics that we report, and any new performance metrics will also be subject to the foregoing limitations and risks.** If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired. **Effective internal controls are necessary** A material weakness is a deficiency or for combination of deficiencies in our us to provide reliable and accurate financial statements and to effectively prevent fraud. **We devote significant resources and time to comply with the** internal control over financial reporting **such requirements of the Sarbanes-Oxley Act of 2002. However, we cannot be certain** that **we will** there is a reasonable possibility that a material misstatement of our consolidated financial statements would not be **able to prevented-- prevent future significant deficiencies** or detected on a timely basis. We have experienced and remediated a material weakness in the past, and if we experience additional material weaknesses or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or operating results or prevent fraud, which may adversely affect investor confidence in us and, as a result, the value of our common stock. We cannot assure you that all of our existing material weaknesses have been identified, or that we will not in the future identify additional material weaknesses. Any failure to maintain effective disclosure controls and internal control over financial reporting could have an adverse effect on our business, operating results, and financial condition. If we are unable to assert that our internal control over financial reporting is effective, material weaknesses are identified, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on The Nasdaq Global Select Market. **In addition, regulators are increasingly focusing on environmental, social, and governance matters and related disclosures. If our related data** currency exchange rates fluctuate substantially in the future, **the processes, and reporting are incomplete or inaccurate, or if we fail to achieve progress with our stated goals on a timely basis, our business, operating** results of our operations, **and financial condition** which are reported in U. S. dollars, could be adversely **impacted** affected. As we expand our international footprint and make more services available to our customers internationally, we will become more exposed to the effects of fluctuations in currency exchange rates. Although we expect an increasing number of sales contracts to be denominated in currencies other than the U. S. dollar in the future, all of our sales contracts are and have historically been denominated in U. S. dollars. However, we offer clients the option to settle invoices denominated in U. S. dollars in the local currencies of several non-U. S. countries, and therefore, a portion of our revenue is subject to foreign currency risk. While we currently use derivative instruments to hedge certain exposures to fluctuations in foreign currency exchange rates, the use of such hedging activities may not offset the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, geopolitical or macroeconomic events may also cause volatility in currency exchange rates between the U. S. dollar and other currencies, such as the Euro. Additionally, a strengthening of the U. S. dollar could increase the real cost of transacting on our work marketplace to clients located outside of the United States and could result in a loss of such clients or a portion of their spend, which could adversely affect our business, operating results, and financial condition. The applicability of sales, use, and other tax laws or regulations on our business could subject us or our customers to additional tax liability and related interest and penalties, and adversely impact our business. The application of indirect **We are subject to numerous** taxes, such as sales and use tax **collection**, value-added tax, goods and

services tax, business tax, gross receipt tax, and digital services tax, and the tax information reporting obligations to our businesses are complex **in the U. S.** and evolving **other foreign jurisdictions**. Significant judgment is required to evaluate applicable tax obligations, and **in**, as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. **As** For example, a number of U. S. states **result, we may recognize additional tax expense and be subject to additional tax liabilities, including** other **liabilities for** jurisdictions have enacted taxes and tax collection obligations **due** on marketplace facilitators, requiring online marketplaces to **changes in federal,** collect and remit taxes for first- and third- party sales on their websites. A successful assertion that we should be collecting taxes or remitting taxes directly to states- **state, and international tax laws, statutes, rules, regulations, or other ordinances; changes in taxing jurisdictions and administrative interpretations and applications;** beyond those to which we already collect or remit could result **results of** in substantial tax liabilities **examinations, settlements, for- or judicial decisions; changes in accounting principles; or changes past transactions and additional administrative expenses, and could cause us to our business operations** accrue additional estimates of taxes due, including interest and penalties. Moreover, a number of countries and intergovernmental organizations have recently proposed, recommended, or enacted new laws or changes to existing laws that could impact our tax **and reporting** obligations or add new compliance costs to our business to administer, assess, collect, and remit those taxes. These changes may happen with little or no advance notice or implementation time, which can increase various short term costs of compliance. The impact and burden of these regulations and proposed regulations on our business and the businesses of our customers is uncertain and may have a negative impact on our business. Potential legislation and regulations, specifically in the United States, the EU, and other countries, may also result in additional costs or requirements that could have a negative impact on our business. For example, the implementation of statutory changes to Form 1099-K reporting in the United States and regulatory changes to the European Council Directive on Administrative Cooperation and Automatic Exchange of Information in the Field of Taxation reporting in the EU may create additional administrative burdens on Upwork. Similar reporting obligations may be enacted by other jurisdictions in the future. Tax collection responsibility and the additional costs associated with complex indirect tax collection, remittance and audit requirements, in addition to reporting requirements, could create additional tax exposure for us and additional burdens for customers on our websites and mobile platforms. We may also be subject to additional tax liabilities and related interest and penalties due to: changes in federal, state, and international tax laws, statutes, rules, regulations, or ordinances; changes in taxing jurisdictions and administrative interpretations and applications; results of tax examinations, settlements, or judicial decisions; changes in accounting principles; changes to our business operations; and changes in tax positions taken in prior periods. Such changes could adversely impact us or our customers (possibly with retroactive effect), which could require us or our customers to pay additional tax amounts on prior sales and going forward, as well as require us or our customers to pay fines, penalties, and interest for past amounts. For example, if we are treated as an agent for customers on our work marketplace under U. S. state tax law, we may be primarily responsible for collecting and remitting sales taxes directly to certain states. It is possible that one or more states could seek to impose sales, use, or other tax collection obligations on us, which may be applicable to past sales. A successful assertion by a taxing authority that we should be collecting additional taxes or remitting such taxes directly to states could result in substantial tax liabilities for past sales and additional administrative expenses, which could negatively impact our business. Any changes to our business operations, including international expansions, internal reorganizations, and transfer pricing could impact our tax liabilities. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions or disagree with our determinations as to the income and expenses attributable to specific jurisdictions or specific affiliates. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties. **At any given time we** We have in the past been, and may in the future be, **subject to tax audited audits** by **tax various taxing** authorities with respect to non-, **in multiple jurisdictions, throughout the world. While we believe our income taxes, and other** we may have exposure to additional non-income tax liabilities **are reasonably estimated, which an adverse result from one or more of these tax audits or investigations** could have an **a significant** adverse effect **impact** on our **operating financial** results and financial condition. In addition, our future effective tax rates could be **favorably or unfavorably** affected by changes in tax rates, changes in the valuation of our deferred tax assets or liabilities, the effectiveness of our tax planning strategies, or changes in tax laws or their interpretation. Such changes could have an adverse impact on our operating results and financial condition. Our ability to use our net operating loss carryforwards and certain other tax attributes is limited. As of December 31, **2023-2024**, we had net operating loss, which we refer to as NOL, carryforwards for U. S. federal income tax purposes and California state income tax purposes of \$ **181- 18. 2-9** million and \$ **81-91. 3-0** million, respectively, available to offset future taxable income. The federal NOLs- **NOL will begin to expire carryforwards of \$ 18. 9 million generated after December 31, 2017 can be carried forward indefinitely with utilization** in 2034 if not utilized **any year limited to 80 % of our taxable income**. The California state NOL carryforward amounts will begin to expire in **2029- 2032** if not utilized. Realization of these NOL carryforwards depends on future income, and there is a risk that our existing carryforwards could expire unused and be unavailable to offset future income tax liabilities, **which could materially and adversely affect our operating results**. In **general addition**, under Section 382 of the Internal Revenue Code of 1986, as amended, a corporation that undergoes an “ownership change,” generally defined as a greater than 50 % change (by value) in its equity ownership over a three- year period, is subject to limitations on its ability to utilize its pre- change NOL carryforwards to offset future taxable income. **As** We have completed an analysis of **Section 382 ownership changes in our stock through** December 31, **2023-2024**, and have concluded that we have experienced ownership changes that will result in limitations in our ability to use certain **of our** NOLs and tax credit carryforwards. In addition, other factors outside our control could further limit our ability to utilize NOLs to offset future U. S. federal and state taxable income, including further changes in the ownership of our stock and regulatory changes. Any such material limitation or expiration of our NOLs may harm our future operating results

by effectively increasing our future tax obligations. In addition, the Tax Cuts and Jobs Act, as modified by the Coronavirus Aid, Relief, and Economic Security Act, limits the utilization of NOLs arising in taxable years beginning after December 31, 2017 to 80% of taxable income in any taxable year beginning after December 31, 2020. NOLs arising in taxable years beginning after December 31, 2017 can be carried forward indefinitely with no carryback allowed. As we maintain a full valuation allowance against our U. S. federal and state NOLs, these changes did not impact our consolidated balance sheet as of December 31, 2023. However, in future years, at the time a deferred tax asset is recognized related to our NOLs, the changes in the carryforward/ carryback periods as well as new limitations on use of NOLs may significantly impact our valuation allowance assessments. We may require additional capital to fund our business and support our growth, and any inability to generate or obtain such capital may adversely affect our business, operating results, and financial condition. **To** ~~In order to~~ support our growth and ~~respond to~~ business ~~challenges~~ **strategy**, such as developing new features or enhancements to our work marketplace, acquiring new technologies, and improving our infrastructure, we have made and expect to continue to make significant financial investments in our business. In addition, we may, from time to time, seek to acquire or strategically invest in other complementary products, technologies, or businesses or repurchase outstanding shares of our common stock or **our 0.25% convertible senior notes due 2026, which we refer to as** the Notes. For example, **during the fiscal year ended December 31, 2024**, we paid \$ ~~170.100~~ **8.0** million to ~~consummate the Note Repurchases~~ **repurchase** in March 2023, and **shares of our common stock under our \$ 100.0 million share purchase program authorized by our board of directors** in November 2023, ~~our board of directors authorized our~~ **which we refer to as the 2023 Share Repurchase Authorization**, and as of December 31, 2024, we had \$ **100.0 million available for repurchases of our common stock under our \$ 100.0 million share repurchase Program program authorized by our board of directors in October 2024, which we refer to as the 2024 Share Repurchase Authorization**.

We may need to engage in equity or debt financings to obtain the funds required for these investments, acquisitions, and other business endeavors. If we raise additional funds through equity or convertible debt issuances, our existing stockholders may suffer significant dilution and these securities could have rights, preferences, and privileges that are superior to those of holders of our common stock. If we obtain additional funds through debt financing, we may not be able to obtain such financing on terms favorable to us. Such terms may involve additional restrictive covenants making it difficult to engage in capital raising activities and pursue business opportunities, including potential acquisitions and strategic investments. If we are unable to obtain adequate financing on terms satisfactory to us or at all, our ability to continue to support our business growth and ~~to respond to~~ business ~~challenges~~ **strategy** could be significantly impaired and our business, **operating results, and financial condition** may be adversely affected, ~~requiring us to delay, reduce, or eliminate some or all of our operations~~. Risks Related to Ownership of Our Common Stock The market price of our common stock has been and may continue to be volatile, particularly as a result of broader stock market fluctuations and in light of the current macroeconomic uncertainty. The market price of our common stock may fluctuate significantly in response to numerous factors, **many of which are unpredictable or are outside of our control**, including **those described elsewhere in this “Risk Factors” section as well as the following**: • actual or anticipated fluctuations in our revenue, measures of profitability, and other financial and operating results ~~or our~~ **and performance metrics, particularly any** failure to meet the estimates of securities analysts or the expectations of investors; • the financial projections we provide to the public or our **lowering of or** failure to meet these projections; • ~~overall performance of the~~ **economy or** equity markets, ~~including as a result of unfavorable investor sentiment toward unprofitable companies;~~ • ~~the economy as a whole and market conditions in our industry;~~ • negative publicity related to the ~~real or perceived~~ trustworthiness, quality, or security of our work marketplace; • **changes in** the failure to timely launch new offerings and services that gain market acceptance; • ~~recruitment or our departure~~ **board of directors, management or** key personnel; • ~~rising interest rates and inflation, financial turmoil, or instability affecting the banking system or financial markets;~~ • failure of securities analysts to initiate or maintain coverage of us, inaccurate or unfavorable research by analysts, or changes in financial estimates by any securities analysts who follow our company; • repurchases by us of any of our outstanding shares of common stock, ~~including under our Share Repurchase Program, or the Notes, on unfavorable terms or at all;~~ • speculative trading practices by stockholders and other market participants; • rumors and market speculation involving us or other companies in our industry and / or other industries; • ~~lawsuits threatened~~ **legal and regulatory claims, litigation, or filed against or pre-litigation disputes and other proceedings;** • **announcements** by us or against our key personnel, litigation involving our industry, or **our competitors of significant new lawsuits threatened or filed against our** ~~or terminated~~ customers relating to their use of our work marketplace; • increased interest and trading in our stock from retail investors; • developments or disputes concerning our or other parties' products, ~~or~~ services, **technical innovations, or intellectual property rights;** • acquisitions, strategic partnerships, joint ventures, or capital commitments; • sales ~~or expected sales~~ of shares of our common stock by us, ~~or our officers, directors, employees or~~ **or** stockholders, ~~including sales of large blocks of our stock relative to the size of our public float or sales of stock by our management, directors or significant stockholders that create negative investor perception;~~ • new laws or regulations or new interpretations of existing laws or regulations, including those governing worker classification, taxation of workers, or withholding and remitting taxes on income or earnings; • ~~announcements by us or our competitors of new or terminated products or services, commercial relationships, or significant technical innovations;~~ • changes in accounting standards, policies, guidelines, interpretations, **the legal or regulatory landscape applicable to us or** ~~or our~~ **principles customers, including worker classification and tax laws**; and • geopolitical changes or events, including those resulting from war and incidents of terrorism. In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business. In ~~November~~ **October 2023-2024**, our board of directors authorized **\$ 100.0 million for share repurchases under** the **2024 Share Repurchase Authorization** Program, under which we may repurchase up to \$ 100.0 million of shares of our

outstanding common stock. As of December 31, 2023, we had the entire \$ 100.0 million available for future share repurchases under the 2024 Share Repurchase Program Authorization. The actual timing and amount of program does not obligate us to repurchase any specific dollar amount. Repurchases under the 2024 Share Repurchase Authorization will depend on a variety of factors, including stock price, trading volume, market and business conditions, regulatory requirements, and other considerations, all of which may be impacted by factors outside of our control. The 2024 Share Repurchase Authorization could affect the trading price of our common stock on any timetable, increase volatility, and diminish our cash and cash equivalents and marketable securities available to fund working capital, repayment of debt, capital expenditures, strategic acquisitions, investments, or business opportunities, and other general corporate purposes. The 2024 Share Repurchase Authorization Program could affect the trading price of our common stock, increase volatility, and diminish our cash reserves. The Share Repurchase Program may be suspended, terminated, or modified at any time for any reason, and we cannot guarantee that the 2024 Share Repurchase Program Authorization will be fully consummated, or at all, or that it will enhance long-term stockholder value. Sales of substantial amounts of our common stock in the public markets, particularly sales by our directors, executive officers, and significant stockholders, or the perception that these sales could occur, could cause the market price of our common stock to decline and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market, or the perception that such sales could occur, particularly sales by our directors, executive officers, and significant stockholders. The perception that these sales might occur may also cause the market price of our common stock to decline. All shares of our common stock are freely tradable, generally without restrictions or further registration under the Securities Act of 1933, as amended, which we refer to as the Securities Act, subject to certain exceptions for shares held by our “ affiliates ” as defined in Rule 144 under the Securities Act. In addition, the shares issued upon exercise of outstanding stock options or settlement of outstanding restricted stock units will be available for immediate resale in the United States on the open market. Moreover, we may also issue our shares of common stock or securities convertible into shares of our common stock, or preferred stock with preferences over our common stock from time to time in connection with a financing, an acquisition, investments, or otherwise. Any such issuances could result in substantial dilution to our existing stockholders and cause the market price of our common stock to decline. We do not intend to pay dividends for the foreseeable future. We have never declared or paid any cash dividends on our common stock and do not intend to pay any cash dividends in the foreseeable future. We anticipate that for the foreseeable future we will retain all of our future earnings for use in the development of our business, for repurchases under our 2024 Share Repurchase Program Authorization, and for general corporate purposes. Accordingly, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments. Provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees, and limit the market price of our common stock. Provisions in our restated certificate of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. Our restated certificate of incorporation and amended and restated bylaws include provisions that: • classify our board of directors into three classes of directors with staggered three-year terms; • permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships; • require super-majority voting to amend certain provisions in our restated certificate of incorporation and amended and restated bylaws; • authorize the issuance of “ blank check ” preferred stock that our board of directors could use to implement a stockholder rights plan (also known as a “ poison pill ”); • provide that only the chairperson of our board of directors, our chief executive officer, president, lead independent director, or a majority of our board of directors are authorized to call a special meeting of stockholders; • prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • provide that the board of directors is expressly authorized to make, alter, or repeal our amended and restated bylaws; and • establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. In addition, our restated certificate of incorporation provides that the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware) is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, which we refer to as the DGCL, our restated certificate of incorporation, or our amended and restated bylaws, any action asserting a claim against us that is governed by the internal affairs doctrine, or any action asserting an “ internal corporate claim ” as that term is defined in Section 115 of the DGCL. Our amended and restated bylaws also provide that the federal district courts of the United States would be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. We note, however, that there is uncertainty as to whether a court would enforce this provision. These choice of forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees. Moreover, Section 203 of the DGCL may discourage, delay, or prevent a change of control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15 % or more of our common stock. Risks Related to Our Convertible Senior Notes In August 2021, we issued \$ 575.0 million aggregate principal amount of the Notes. The Notes are senior, unsecured obligations and bear interest at a rate of 0.25 % per year. The Notes will mature on August 15, 2026, unless earlier redeemed, repurchased, or converted in accordance with the terms of the Notes. In March 2023, we entered into separate, privately negotiated repurchase repurchased agreements with a

portion limited number of institutional holders of the **outstanding** Notes, to repurchase for cash an **and** aggregate of \$ 214.0 million principal amount of the Notes, which we refer to as the Note Repurchases. As of December 31, 2023-2024, we had \$ 361.0 million aggregate principal amount of the Notes **remained** outstanding. We may also incur additional indebtedness to meet future financing needs. Our indebtedness could have significant negative consequences for our stockholders and our business, operating results, and financial condition by, among other things: • increasing our vulnerability to adverse economic and industry conditions; • limiting our ability to obtain additional financing; • requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes; • limiting our flexibility to plan for, or react to, changes in our business; • diluting the interests of our existing stockholders as a result of issuing shares of our common stock upon conversion of the Notes; and • placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, to pay amounts due under our indebtedness, and our cash needs may increase in the future. The capped call transactions may affect the value of our common stock. In connection with the Notes, we entered into the privately negotiated capped call transactions, which we refer to as the Capped Calls, with various financial institutions, which we refer to as the option counterparties. The Capped Calls remain in effect notwithstanding the **March 2023 repurchase of a portion of the Note Notes Repurchases**. The Capped Calls are expected generally to reduce the potential dilution to our common stock upon any conversion of the Notes and / or offset any potential cash payments we are required to make in excess of the principal amount upon conversion of any Notes, with such reduction and / or offset subject to a cap. In addition, the option counterparties and / or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock in secondary market transactions (and are likely to do so following any conversion of Notes, any repurchase of the Notes by us on any fundamental change repurchase date, any redemption date, or any other date on which the Notes are retired by us). This activity could also cause or avoid an increase or a decrease in the market price of our common stock. The potential effect, if any, of these transactions and activities on the market price of our common stock will depend in part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our common stock. General Risks Our business depends on the overall demand for labor and on the economic health of current and prospective clients that use our work marketplace. Any significant weakening of the economy in the United States or Europe or of the global economy, including a continued rise in inflation, hiring freezes, layoffs, more limited availability of credit, a reduction in business confidence and activity, decreased government or business spending, economic and political uncertainty, financial turmoil or instability affecting the banking system or financial markets, trade wars, sanctions, higher tariffs, global or regional public health events or conditions, a more limited market for independent professional service providers or information technology services, shifts away from remote work, and other adverse economic or market conditions may adversely impact our business and operating results. These adverse conditions have resulted in the past, and may again result, in reductions in revenue, increased operating expenses, longer sales cycles, and increased competition. There is also a risk that when overall global economic conditions are positive, our business could be negatively impacted by a decreased demand for talent as businesses utilize more full- time employees relative to their use of independent contractors. We cannot predict the timing, strength, or duration of any economic slowdown, or any subsequent recovery generally. If the conditions in the general economy continue to deteriorate, our business, operating results, and financial condition could be adversely affected.