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Welcome

Hayden Brown
Work is rapidly evolving
Uniquely Positioned to Succeed

- Massive TAM with secular tailwinds
- Largest work marketplace at scale
- Deep and expanding competitive moats
- Multiple growth opportunities
- Proven and experienced management team

1 As measured by gross services volume (GSV). See appendix for the definition of gross services volume.
Our Mission

Create economic opportunities so people have better lives.
Our Vision

Independent talent at the heart of every business.
A Win-Win Way to Work

Companies
- Narrow skill gaps
- Accelerate agility and innovation
- Prevent burnout

Freelancers
- Work on your own terms
- Greater control over when and how you work, and whom you work with
Freelancing Shows No Signs of Slowing Down

Percent of Buyers Considering Online Staffing

Source: SIA Workforce Solutions Buyer Survey, 2020
Creating a Massive and Growing Opportunity

~225 Million
Estimated number of global remote knowledge workers

$x \times $5,850 $=$ $1.3T$

~$5,850
Average freelancer GSV

$1.3T$
Upwork Opportunity

Cloud Stages of Adoption

1. Project
   - AWS is evaluated and vetted on a project-by-project basis to solve specific needs on a one-off basis

2. Hybrid
   - AWS complements existing legacy systems and becomes an option for additional projects

3. Scaling
   - The enterprise makes investments to sustain long-term IT operations in the cloud

4. Cloud-First
   - The enterprise changes view from “why cloud?” to “why not cloud?”

Welcome

June 2021

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Freelancer Stages of Adoption

1. **Project**
   - Freelancers evaluated and vetted on a project-by-project basis to solve specific needs on a one-off basis.

2. **Hybrid**
   - Freelancers complement FTEs and become an option for additional projects.

3. **Scaling**
   - Companies make investments to leverage freelancers as core to the way they get work done.

4. **Freelancer-First**
   - Companies change view from “why Upwork?” to “why not Upwork?”

---

**Welcome**

Customer Value

Freelancer Adoption Over Time

June 2021

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Upwork Is the Most Comprehensive Work Marketplace

Multiple ways to Upwork = the “always on” solution for companies hiring and managing freelancer programs at scale
Featuring the Most Robust Community of Clients and Freelancers

10,000+ skills

73% of talent have college degrees

50+ categories with $10M+ in GSV

~40% of clients hired in multiple categories

~50% of Fortune 500 companies are clients

1 February 2021 Upwork internally conducted survey.
2 Based on the trailing 12-month period ending March 31, 2021.
# Our Business Model vs. “Gig” Companies

<table>
<thead>
<tr>
<th></th>
<th>“Gig” Companies</th>
<th>Upwork</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skills</td>
<td>Workers are interchangeable and do not have specialized skills</td>
<td>Highly skilled professionals; entrepreneurs building their own businesses</td>
</tr>
<tr>
<td>Control</td>
<td>The platforms set the rates and algorithms play a bigger role in determining which worker works with which customer</td>
<td>Talent work on their own terms – choosing whom they work with, when they work, and how much to charge</td>
</tr>
<tr>
<td>Relationship</td>
<td>Workers tend to work in same geographic area as customers</td>
<td>Clients and talent build relationships regardless of location</td>
</tr>
<tr>
<td>Economic Alignment</td>
<td>Company profits are extracted from service provider earnings, so platforms make more as providers make less</td>
<td>Upwork benefits financially when talent charges higher rates, and thus does not encourage a race to the bottom</td>
</tr>
</tbody>
</table>
Creating a Virtuous Cycle

**Value for Freelancers**

Find work quickly
Access to quality, flexible projects from our global network

Get paid on time
Receive security and peace of mind with Upwork Payment Protection

Build reputation
Establish long-term credibility and relationships with roster of clients

Growth opportunities
Insights on in-demand skills and emerging areas

Flexibility
Expanding number of ways to Upwork

**Value for Clients**

Quality talent
Global access to a verified Virtual Talent Bench™ across categories and price points

Fast access to talent
Receive proposals within minutes; 3 days average time to contract

Cost-effective projects
Take hiring budgets further with average 50% savings vs. hiring locally

Work efficiently, effectively
End-to-end suite of workflow tools

Flexibility
Expanding number of ways to Upwork

**Value for Upwork**

This engine results in:
Highly sticky double opt-in platform with long-term relationships and recurring use, leading to increasing scale and recurring revenue

![Diagram showing a virtuous cycle with increased freelancers, clients, and projects](image)
Generating Abundant Growth Opportunities

Expected horizon for significant value creation

<table>
<thead>
<tr>
<th>Near Term</th>
<th>Mid Term</th>
<th>Long Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Awareness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition / Retention</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprise</td>
<td></td>
<td></td>
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<tr>
<td>Share of Wallet</td>
<td></td>
<td></td>
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<tr>
<td>Product Line Diversification</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internationalization and Localization</td>
<td></td>
<td></td>
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<tr>
<td>Talent Services</td>
<td></td>
<td></td>
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<tr>
<td>Product Integrations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opportunistic M&amp;A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Our Goal: 100% of businesses will have freelancers on their teams in the future
Our Winning Strategy

1. Innovating the work marketplace
2. Becoming a world-renowned brand
3. Augment SMB by winning the enterprise
4. Building an extraordinary hybrid team of employees and freelancers
5. Investing aggressively for long-term value creation
Product & Experience

Sam Bright
Tectonic Change in the Way We Work
Remote Work Has Introduced a Transformative Moment
Hybrid Workforce Is the New M.O.
Disrupting Work Is the Next Innovation Frontier
Upwork Is Innovating the Work Marketplace

Transforming from a single product line company to a multi-product line company

- Talent Marketplace™
- Enterprise Suite
- Bring Your Own Talent
- Payroll
- Direct Contracts
- Project Catalog™
- Talent Scout™
- ...What’s Next?
Product Strategic Priorities

1. Launch and Lead Our Work Marketplace
2. Scale Our Product Fundamentals
3. Drive Customer Growth
Where the World Wants to Work
All the Ways to Upwork

The world’s work marketplace

Talent Marketplace™

Talent Scout™

Project Catalog™

Enterprise Suite™
Lilly D. Developer

“Let’s get your product launch back on track.”
Our Product Priorities in Action
Launch and Lead Our Work Marketplace

Direct Contracts

Expanded offerings enabling freelancers to safely, securely, and easily invoice and bill non-Upwork clients for hourly work.
Launch and Lead Our Work Marketplace

Bring Your Own Talent

Added features and capabilities to our Bring Your Own Talent solution to allow clients to onboard both Upwork and non-Upwork freelancers onto our platform for global unified billing, reporting, and overall contract management.
Launch and Lead Our Work Marketplace

Project Catalog

Project Catalog is a new product line that lets talent create productized, fixed-price projects and clients search, browse, and buy with just a few clicks.
Talent Scout is another new product line that offers hiring managers hands-on recruiting assistance without the expensive price tag of a traditional staffing agency.
Continuous investments to improve search capabilities and underlying data structure to accommodate ever-expanding categories of work.
Partnership with Citrix enables clients to simply and securely provision and deprovision Upwork talent onto corporate tools.
Integration of Zoom video and voice communications onto the Upwork platform
Integration with iWorkGlobal significantly reduced onboarding time while providing transparency throughout the onboarding process.
Drive Customer Growth

 Injected Connects to help talent get started, incentivize former talent to rejoin, and reward talent for submitting targeted proposals
Enable diverse talent to surface their certifications and help clients build more inclusive teams
Drive Customer Growth

SEO

Strong improvements from consistent and systematic investments, including new content management system.
Drive Customer Growth

SEM

Expanded SEM presence on mobile, increased international reach, and improved bidding algorithms.
Our Winning Strategy

1. Innovating the work marketplace
2. Becoming a world-renowned brand
3. Augment SMB by winning the enterprise
4. Building an extraordinary hybrid team of employees and freelancers
5. Investing aggressively for long-term value creation
The Race to Win the $1.3T Work Marketplace Opportunity

Platform-first service model

Hybrid service model

Traditional staffing service model

Work Marketplace

Vetting & talent management
Platform & payments
Shortlisting & success management
Sales

Match & reputation
Payroll
B2B marketing
Talent pool

“Platform when you want it – people when you don’t.”

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Addressing the Changing Needs of Staffing Customers

A massive opportunity to capture market share

- Changing customer needs: flexibility, transparency, control, and service
- Lack of platform infrastructure and ecosystem
- Operating model and scale tied to individual books of business, not the firm’s
- Transient talent pool vs. independent workers having chosen this as a career
Work Marketplace Value Proposition

1. Enables companies and people to build powerful work relationships
2. Provides clients with access to a Virtual Talent Bench™ of trusted independent professionals
3. Provides talent access to a virtual roster of trusted clients and quality opportunities
4. Enables businesses of any size to scale up or down based on demand and economic conditions
Our Marketing Opportunity

1. COVID-19 has shattered “the fear of engaging remote talent”

2. Businesses know they can grow with distributed talent

3. Talent knows they don’t have to live in an expensive city to get a great job

4. Companies are realizing there is a competitive disadvantage to not have a robust strategy for using independent talent

5. We aim to blur the lines between types of work that can be done by full-time employees and by independent talent

6. We empower companies with the competitive advantage to scale up or down leveraging a Virtual Talent Bench™ on the Upwork work marketplace
The Many Ways to Upwork – from “Gig to Big”

Multiple ways to Upwork = the “always on” solution for companies hiring and managing freelancer programs at scale
Hello, we’re Upwork
Accelerating Brand Awareness

Redefining brand and PR messaging

new value proposition to drive growth and awareness of what is possible on Upwork

$L21M in 2021 to build brand awareness and drive overall demand

56% YoY increase in brand media investment

Laser focus on driving awareness among key personas in key categories, including tech, marketing / creative and customer service

- Vertically targeted brand advertising and media buys
- Vertical content and PR strategies
- Strategic alliance partnerships
- Vertical events, sponsorships
- Category influencer programs
- Brand partnerships with major brands

56% YoY increase in brand media investment

53% YoY increase in brand media investment
SEM Non-brand, SEO Non-brand

Growth (2019 – 2020)

- SEM overhaul began
- Test Google tROAS
  - non-brand SEM
- Mobile + int'l expansion
- Test Google tROAS
  - int'l + mobile SEM
- All non-brand SEM tROAS
- SEM broad match + new countries + proprietary bidding tool

1 See appendix for the definition of first job post (FJP).
### Growth through breadth

**Tech & Product Lead**
Example: VP, Engineering

- Build and maintain my website
- Build and maintain my mobile app
- Do QA testing on my product
- Augment or replace my internal UI / UX team
- Maintain a safe and secure dev environment for me
- ...

**Marketing & Creative Lead**
Example: VP, Marketing

- Augment my design staff
- Translate my marketing assets
- Build my new landing page
- Develop my campaign strategy
- Develop my social media strategy
- Execute my social media strategy
- ...

**Operations Lead**
Example: COO

- Recruit and manage my customer support operations
- Recruit and manage a skilled tech support team
- Let me outsource my accounting to a trusted accountant
- Provide me project-based accounting support
- ...

### Growth through depth

8
Key Marketing and Acquisition Growth Levers for 2021 and Beyond

1. Launched our work marketplace marketing efforts to build awareness and drive demand

2. Expanding paid acquisition reach by:
   - Expanding SEM keywords and mobile SEM conversion optimizations
   - Growing international presence +40% YoY via keyword expansion globally
   - Shifting to new brand messaging across channels to improve CTRs

3. Improving conversion rates by:
   - Matching intent to best product lines
   - Improving CLTV model to optimize client keyword bidding

4. Automating and scaling SEM and social through proprietary bidding tool:
   - Increasing registration-to-Start conversions through better client onboarding
   - Aggressively supporting Enterprise Sales land and expand efforts
   - Optimizing reactivation and retention efforts by moving to more holistic marketing automation
Innovating the work marketplace

Building a world-renowned brand

Augment SMB by winning the enterprise

Building an extraordinary hybrid team of employees and freelancers

Investing aggressively for long-term value creation
Building and Scaling Enterprise Sales

- **2016**: Launched Upwork Enterprise
- **2017**: Expanded sales team, opened Chicago office; Hosted our 1st Work Without Limits Conference
- **2018**: Signed 100th Enterprise client; Launched partnership with Microsoft; Surpassed 30K in Enterprise projects
- **2019**: Launched Upwork Business
- **2020**: Sales restructure
- **2021**: Accelerated growth
A Dynamic Platform to Help Enterprise Organizations Scale

Multiple ways to Upwork = the “always on” solution for companies hiring and managing freelancer programs at scale
A Dynamic Platform to Help Enterprise Organizations Scale

Enterprise Suite

- Expert-Vetted Talent
- Bring Your Own Talent
- Custom Reporting
- Enterprise Billing
- Program Management Support
- Global IC Classification
- Global Payroll
- Secure Onboarding
- Single Sign On
- Work Protection

...What's Next?
The Power of Our Enterprise Offering

Upwork Enterprise provides a powerful suite of contract management and compliance tools that help enterprise organizations work more strategically with remote freelancers, whether to support project-based work, staff augmentation, or build strategic teams of consultants.
<table>
<thead>
<tr>
<th></th>
<th>The Old Way</th>
<th>Upwork Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time-to-Fill</strong></td>
<td>16+ days¹</td>
<td>3 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Faster Hiring</strong></td>
</tr>
<tr>
<td><strong>Access to Quality Talent</strong></td>
<td>40% fill rate, NPS score of 28²</td>
<td>85% fill rate, NPS score of 60+</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Greater Access to Quality Talent</strong></td>
</tr>
<tr>
<td><strong>Cost of Hire</strong></td>
<td>More operating costs, higher margins</td>
<td>Fewer operating costs, more savings (avg. 30-50%)³</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Meaningful Cost Savings</strong></td>
</tr>
</tbody>
</table>

Source:
1 North America Staffing Company Survey 2020 | Staffing Industry Analysts, 2020
2 2020 Staffing Industry NPS® Benchmarks | ClearlyRated, 2020
3 Based on aggregated compensation data via multiple government sources compiled by EMSI

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

With Upwork

In ~3 years, Microsoft completed

~10,000 projects on the Upwork platform, across 80 skill categories.  

50% improvement in time-to-fill

Extensive analysis proving compelling results in the form of increased speed to engage, quality of work, and cost savings
How Microsoft Utilizes In-Demand Talent
The team was able to access independent talent to support all of their individual product lines, enabling them to provide better service and support to their customers.

Situation:
Need to integrate, build, and service new technologies acquired through M&A in their product portfolio.

With Upwork

- 8x faster time-to-fill across the organization (90 days to 11 days)
- 4.9/5.0 success ratings
- $2.3M cost savings
Delivering Value for Enterprise Clients

Flexera implemented a corporate-wide initiative to work with more independent talent — using Upwork to fill certain skills in a matter of days versus months.

Situation:
Need a quick and efficient way to access talent with in-demand skills to support rapid growth

With Upwork

- 24x faster engagement with independent talent
- 2x faster project turnaround
- 1/2 the cost of traditional hiring sources
Revenue from Enterprise Accounts Is Accelerating

<table>
<thead>
<tr>
<th>Sales Enterprise Plan (Standard &amp; Compliance)</th>
<th>2020</th>
<th>Q1-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue from Enterprise Accounts</td>
<td>$22.7M</td>
<td>$7.8M</td>
</tr>
<tr>
<td>YoY Revenue Growth</td>
<td>44%</td>
<td>74%</td>
</tr>
</tbody>
</table>

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The Enterprise Opportunity

Enterprise Sales

June 2021

Target ideal customer profile (ICP) accounts

8K

Target ICP customers with spend currently in the Marketplace

1,600

Current Enterprise clients

200+

+ Many more globally

51K

250+ employee US-based companies assigned to sales teams (both inbound and outbound)

1,000 accounts could deliver $1-2B in GSV

1,000
Supported by a World-Class Enterprise Sales Organization

Over 50 years
Collective human capital leadership experience

Robert Half

Aquent

LinkedIn

glassdoor

CareerBuilder

TEKsystems
Built to Deliver Our Land and Expand Strategy

Land

- Acquire new accounts
- 18 current Account Executives

Expand

- Help clients expand their Upwork usage
- Increase customer satisfaction

Target AE Deal Productivity: 6+ deals/yr

Sales Cycle: 3–6 months

For every 15 reps, we could add $100M in future GSV per year
The World’s Best Companies Use Upwork to Transform Their Contingent Work Programs

~50% of F500 companies are clients today

30% savings average savings frequently reported by businesses

3 days average time-to-fill

Microsoft
Nasdaq
airbnb
AUTOMATTIC
GoDaddy
GENESYS
PGA
bissell
Digicel
COREL
Digicel Taps into a Global Freelance Network
Our Winning Strategy

1. Innovating the work marketplace
2. Building a world-renowned team
3. Augment SMB by winning the enterprise
4. Building an extraordinary hybrid team of employees and freelancers
5. Investing aggressively for long-term value creation
Upwork’s Winning Talent Strategy

1. Extraordinary talent isn’t restricted by geography

2. Extraordinary teams aren’t homogenous

3. Independent talent should be at the heart of every business, including ours
Upwork Has Created a Culture with Freelancers at the Heart of Our Business

3/4 of Upwork’s workforce is made up of freelancers

100% of Upwork’s departments are hybrid

86 countries around the world with at least one freelance team member
Upwork on Upwork:

How the Sales Operations team expands their potential with hybrid teams

Benefit #1

Access to specialized skills

46% productivity increase

50% average project savings

Source: Internal company data
## Upwork on Upwork:

How the CX team drops biases and builds trust, leading to success that teams can measure and customers can feel.

### Benefit #2

Strengthen our culture, including fostering greater diversity and inclusion

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freelance composition</td>
<td>95%</td>
</tr>
<tr>
<td>Customer satisfaction (CSAT)</td>
<td>91</td>
</tr>
<tr>
<td>Attrition rate</td>
<td>&lt;5%</td>
</tr>
<tr>
<td>Net Promoter Score (NPS)</td>
<td>81</td>
</tr>
</tbody>
</table>

Source: Internal company data
Upwork on Upwork:

How Product & Engineering scales faster without compromising quality

| Benefit #3 | Ability to scale teams up and down instantly | 70+ agile development teams | 350+ remote developers | 24/7 coverage | 3 mos time to launch Project Catalog™ |

Source: Internal company data
Upwork on Upwork:
How the Marketing team raises the bar on what’s possible

Benefit #4

Increased agility and innovation

900+ multichannel assets created in a quarter

Creative directors
Project managers
Writers
Motion designers
Graphic designers
UX designers
UI designers
Integrated producers
Design directors

Source: Internal company data
Upwork on Upwork:

How the Finance team improves work-life balance with independent accounting talent

Benefit #5

Prevents burnout 24/7 coverage with remote talent 6–7 hrs less overtime per employee 5x faster time to engage

Source: Internal company data
## Commitment to Strong ESG Practices

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Initiatives</th>
<th>Achievements to Date</th>
</tr>
</thead>
</table>
| **Environment** | - Reducing emissions by limiting our physical corporate office footprint through our remote-first working model  
- Reducing unnecessary commuting and travel  
- Purchasing carbon offsets that promote environmental sustainability | ✓ Enabled team members to avoid over 1 million commuting miles in 2019  
✓ Achieved carbon neutrality for 2019 and 2020  
✓ Committed to remaining carbon neutral going forward |
| **Social** | - Building a more robust diversity, inclusion and belonging (DIBs) infrastructure  
- Leveraging data to inform strategic talent process decisions  
- Preparing quantitative disclosures to demonstrate our progress on DIBs-related initiatives | ✓ 50% of Board is female  
✓ 3 of our 8 directors are from underrepresented communities¹ |
| **Governance** | - Evolving Board and governance practices to reflect our maturation as a public company  
- Focusing on and responding to stockholder feedback  
- Acting to protect and grow long-term stockholder value | ✓ Implemented majority-vote standard for director elections and adopted proxy access  
✓ The Board’s Nominating and Governance Committee oversees all ESG functions |

¹ As defined under California law AB 979, underrepresented communities includes certain racial, ethnic, and LGBT identities.
Work is not a place.

It’s something you do.
Our Winning Strategy

1. Innovating the work marketplace
2. Building a world-renowned brand
3. Augment SMB by winning the enterprise
4. Building an extraordinary hybrid team of employees and freelancers
5. Investing aggressively for long-term value creation
Four Reasons for Confidence

1. Strong financial foundation
2. Attractive business model resulting in strong client retention and high GSV predictability
3. Strong client demand
4. Compelling margin structure
1. Strong Financial Foundation
Strong Financial Foundation

EBITDA ($M)

- FY2018: 3.8
- FY2019: 7.4
- FY2020: 6.9
- Q1-2021: 14.0

Cash and Marketable Securities ($M)

- FY2018: 129.1
- FY2019: 133.9
- FY2020: 169.7
- Q1-2021: 169.8

Debt ($M)

- FY2018: 23.9
- FY2019: 18.3
- FY2020: 10.7
- Q1-2021: 8.8
2. Attractive Business Model with Strong Client Retention
Three Talent Plans

1. Freelancer Basic
   • Access to quality projects
   • Quickly apply and get hired
   • Get paid securely and on time

2. Freelancer Plus
   • Includes all Freelancer Basic features +
   • Customized profile URL
   • Insight into competitor bid ranges
   • Monthly Connects package*
   *not included in Agency Plus

3. Agency Plus
   • Includes all Freelancer Plus features +
   • Unlimited team members
   • Shared Connects functionality
<table>
<thead>
<tr>
<th>Talent Plans</th>
<th>Freelancer Basic</th>
<th>Freelancer Plus</th>
<th>Agency Plus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Cost</td>
<td>No subscription</td>
<td>$15 / mo</td>
<td>$20 / mo</td>
</tr>
<tr>
<td>Freelancer Service Fee</td>
<td>20% / 10% / 5%</td>
<td>20% / 10% / 5%</td>
<td>20% / 10% / 5%</td>
</tr>
</tbody>
</table>
Four Client Plans

1. Basic
   - Access to a global talent pool
   - Safe and easy payments
   - Payment protection plan
   - Customer support

2. Plus
   - Includes all Basic features +
     - Invites to talent
     - Featured Jobs upgrade
     - Connects package
     - Recruiting services

3. Enterprise: Standard
   - Includes all Plus features +
     - Custom reporting
     - API access
     - Expert-vetted talent pools and talent clouds
     - SSO / permissions
     - Purchase order management
     - Consolidated invoicing and billing

4. Enterprise: Compliance
   - Includes all Enterprise: Standard features +
     - Compliance services
     - Worker classification
     - Misclassification indemnification
     - Work protection program
<table>
<thead>
<tr>
<th>Client Plans</th>
<th>Basic</th>
<th>Plus</th>
<th>Enterprise: Standard</th>
<th>Enterprise: Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subscription Cost</td>
<td>No subscription</td>
<td>$49.99 / mo</td>
<td>$1,500 / mo</td>
<td>$3,000 / mo</td>
</tr>
<tr>
<td>Client Fee</td>
<td>3%</td>
<td>0%-3%</td>
<td>15%</td>
<td>30%</td>
</tr>
<tr>
<td>Freelancer Service Fee</td>
<td>20% / 10% / 5%</td>
<td>20% / 10% / 5%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Client Spend Retention Rates Are Compelling and Accelerating

Note: (1) See appendix for the definition of client spend retention.
GSV by Annual Client Cohort


- $2.5B
- $2.0B
- $1.5B
- $1.0B
- $0.5B
- $0.2B
- $0.1B
- $0.0B

Note: (1) See appendix for the definition of client cohort.
GSV Acceleration Among Newly Acquired Clients

GSV from Clients Acquired in Year

- 2016: 10%
- 2017: 16%
- 2018: 37%
- 2019: 37%
- 2020: 6%
Strong Client Spend Retention Provides High GSV Predictability
Spend from Clients Acquired in the Quarter Has Accelerated

GSV from Clients Acquired in Quarter

GSV YoY Growth
Client Behavior Changed, Starting in Q2-2020

Since Q2-2020...

**Older Cohorts Are Increasing Spend**

*105%*  
~5pt \*lift over historical average\*

Average QoQ cohort spend retention\(^{(1)}\) from cohorts aged 1+ years in each of the past 3 quarters

Notes: (1) Referencing quarterly cohorts. See appendix for the definition of cohort spend retention.

**Newer Cohorts Are Growing Faster**

*102%*  
~10pt \*lift over historical average\*

Average QoQ cohort spend retention from start period to 2nd period for Q2-2020 to Q4-2020 cohorts
It’s a profound moment when you realize there is a freelancer somewhere in the world who can make whatever you’re dreaming up a reality; it fundamentally changes how you work and makes the impossible possible.

Kevin Scott, head of technology, PGA of America
3. Strong Client Demand
Client Demand Is Fueling Accelerated Top-Line Growth

YoY Growth

GSV

Finance

June 2021
GSV Acceleration Has Been Driven by Growth in Active Clients

Active client count growth has accelerated for 4 consecutive quarters

Note: (1) See appendix for the definition of active clients.
GSV Per Active Client Is Increasing

*Acquired clients are defined as active clients who started on Upwork in the trailing 12-month period.

*Retained clients are defined as active clients who didn’t start on Upwork in the trailing 12-month period.

Note: (1) See appendix for the definition of GSV per active client.
Our Large Base of Core Clients Is Also Driving GSV Growth

>80% of GSV on our platform comes from core clients,\(^{(1)}\) which represent >20% of total clients\(^{(2)}\)

Notes: (1) See appendix for the definition of core clients. (2) As of 2021.
We Are Adding High-Value Clients at an Accelerating Pace

Number of Clients with GSV Exceeding $100K During the Trailing 12 Months

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Q1-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients</td>
<td>~1,200</td>
<td>~1,500</td>
<td>~2,100</td>
<td>~2,600</td>
<td>3,100+</td>
<td>3,400+</td>
</tr>
</tbody>
</table>

Note: (1) See appendix for the definition of high-value clients.
Majority of Client Growth Is Organic – and We Are Growing Performance Marketing Quickly

New Clients

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Performance Marketing YoY Growth</th>
<th>Organic / Other YoY Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1-2019</td>
<td>27%</td>
<td>3%</td>
</tr>
<tr>
<td>Q2-2019</td>
<td>35%</td>
<td>4%</td>
</tr>
<tr>
<td>Q3-2019</td>
<td>26%</td>
<td>0%</td>
</tr>
<tr>
<td>Q4-2019</td>
<td>19%</td>
<td>-4%</td>
</tr>
<tr>
<td>Q1-2020</td>
<td>10%</td>
<td>-7%</td>
</tr>
<tr>
<td>Q2-2020</td>
<td>31%</td>
<td>19%</td>
</tr>
<tr>
<td>Q3-2020</td>
<td>35%</td>
<td>39%</td>
</tr>
<tr>
<td>Q4-2020</td>
<td>72%</td>
<td>85%</td>
</tr>
<tr>
<td>Q1-2021</td>
<td>111%</td>
<td>56%</td>
</tr>
</tbody>
</table>
We Have Grown Our Marketing Investments Significantly While Materially Improving Efficiency
Our Investment Approach Is Rooted in EVA

Economic Value Added (EVA)

• Maximize investment wherever return is >WACC
• Driving growth within this constraint is top priority

EBITDA margin is important, but secondary

Details

• 5-year revenue attribution window
• Payback period is a consideration
• Given strong retention curves, target LTV:CAC averages ~3x
Illustrative Unit Economics per Acquired Client

Performance Marketing

~$7K  ~80%  >25%
5-year spend  Contribution margin  Target IRR

Sales

~$4M  ~50%  >25%
5-year spend  Contribution margin  Target IRR
### Long-Term Target Growth Rates of 20%+

<table>
<thead>
<tr>
<th></th>
<th>Long-Term Target YoY Growth Rates</th>
<th>TTM YoY Growth Rates (as of Q1-2021)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Marketplace</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Active TTM Clients</td>
<td>10-20%</td>
<td>25%</td>
</tr>
<tr>
<td>GSV per Active TTM Client</td>
<td>0-10%</td>
<td>2%</td>
</tr>
<tr>
<td>GSV</td>
<td>20%+</td>
<td>27%</td>
</tr>
<tr>
<td>Take Rate</td>
<td>&gt;0%</td>
<td>1%</td>
</tr>
<tr>
<td>Revenue</td>
<td>20%++</td>
<td>28%</td>
</tr>
<tr>
<td><strong>Managed Services</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GSV and Revenue</td>
<td>~10%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Leading to Target Revenue of

$1B+ in 2025
4. Compelling Margin Structure
### Our Compelling Margin Structure

- **High and expanding gross margins**
- **Industry-leading investment levels in R&D to extend competitive moats**
- **Opportunities for leverage in R&D and G&A**
- **Will invest aggressively in sales and marketing to drive growth and maximize economic value added**

<table>
<thead>
<tr>
<th>% of Revenue</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Q1-2021</th>
<th>LT Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketplace Gross Margin $^1$</td>
<td>75%</td>
<td>77%</td>
<td>78%</td>
<td>78%</td>
<td>80-85%</td>
</tr>
<tr>
<td>Managed Services Gross Margin $^2$</td>
<td>17%</td>
<td>17%</td>
<td>19%</td>
<td>19%</td>
<td>20%</td>
</tr>
<tr>
<td>Total Gross Margin</td>
<td>68%</td>
<td>71%</td>
<td>72%</td>
<td>73%</td>
<td>80-85%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>21%</td>
<td>19%</td>
<td>20%</td>
<td>21%</td>
<td>15-20%</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>28%</td>
<td>31%</td>
<td>34%</td>
<td>34%</td>
<td>20-25%</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>16%</td>
<td>18%</td>
<td>15%</td>
<td>14%</td>
<td>8-10%</td>
</tr>
<tr>
<td>Transaction Losses</td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1-2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>1%</td>
<td>2%</td>
<td>4%</td>
<td>6%</td>
<td>30-35%</td>
</tr>
</tbody>
</table>

**Notes:**
1. Marketplace gross margin is defined as total gross profit, excluding revenue from Managed Services and cost of freelancer services to deliver Managed Services, divided by Marketplace revenue.
2. Managed Services gross margin is defined as Managed Services revenue less cost of freelancer services to deliver Managed Services, divided by Managed Services revenue.

Numbers are non-GAAP. Non-GAAP here excludes SBC, amortization, and non-cash charitable donations. All numbers reflect depreciation expense, except for EBITDA.
Significant opportunity for sustainable, long-term growth with attractive margins
Uniquely Positioned to Succeed

- Massive TAM with secular tailwinds
- Largest work marketplace at scale\(^1\)
- Deep and expanding competitive moats
- Multiple growth opportunities
- Proven and experienced management team

\(^1\) As measured by GSV
Key Metric Definitions

Active Clients
A client who has had spend activity during the trailing 12-month period is considered active.

Client Cohort
A client belongs to an annual or quarterly cohort, as the case may be, based on the date of first spend activity with a freelancer.

Client Spend Retention
Client spend retention is calculated by dividing our recurring client spend by our base client spend. We define base client spend as the aggregate client spend from all clients during the four quarters ended one year prior to the date of measurement. We define our recurring client spend as the aggregate client spend during the four quarters ended on the date of measurement from the same clients included in our measure of base client spend.

Core Clients
A core client is defined as a client that has spent in the aggregate at least $5,000 since beginning to use our platform and also had spend activity during the 12 months preceding the date of measurement.
QoQ Cohort Spend Retention

QoQ cohort spend retention is calculated by dividing retention period spend by base period spend for any given client cohort, where retention period spend represents the aggregate spend by the client cohort during the quarter of measurement and the base period spend represents the aggregate spend by the same client cohort during the quarter immediately preceding the quarter of measurement.

---

First Job Post (FJP)

The first job a client posts on our platform.

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Gross Services Volume (GSV)

Gross services volume, or GSV, includes both client spend and additional fees charged for other services.

---

GSV per Active Client

GSV per active client is calculated by dividing total trailing 12-month GSV by the number of active clients at the date of measurement.

---

High-Value Clients

A high-value client is one who has a minimum total GSV of $100K in the trailing 12-month period.

---

QoQ Cohort Spend Retention

QoQ cohort spend retention is calculated by dividing retention period spend by base period spend for any given client cohort, where retention period spend represents the aggregate spend by the client cohort during the quarter of measurement and the base period spend represents the aggregate spend by the same client cohort during the quarter immediately preceding the quarter of measurement.
## Summary of Changes to Our Publicly Disclosed Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Client spend retention</td>
<td>Deprecating after Q2-2021</td>
</tr>
<tr>
<td>Core clients</td>
<td>Deprecating after Q2-2021</td>
</tr>
<tr>
<td>TTM active clients</td>
<td>Quarterly disclosure starting Q2-2021</td>
</tr>
<tr>
<td>TTM GSV per active client</td>
<td>Quarterly disclosure starting Q2-2021</td>
</tr>
<tr>
<td>Annual cohort performance</td>
<td>Annual disclosure starting Q4-2021</td>
</tr>
<tr>
<td>Quarterly cohort performance</td>
<td>One-time disclosure</td>
</tr>
<tr>
<td>High-value clients</td>
<td>One-time disclosure</td>
</tr>
<tr>
<td></td>
<td>FY2018</td>
</tr>
<tr>
<td>----------------------</td>
<td>--------</td>
</tr>
<tr>
<td>GAAP Marketplace COR</td>
<td>57.0</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>-0.3</td>
</tr>
<tr>
<td>Non-GAAP Marketplace COR</td>
<td>56.7</td>
</tr>
<tr>
<td>Non-GAAP Marketplace Gross Margin (%)</td>
<td>75%</td>
</tr>
<tr>
<td>GAAP Managed Services COR</td>
<td>24.5</td>
</tr>
<tr>
<td>Non-GAAP Managed Services COR</td>
<td>24.5</td>
</tr>
<tr>
<td>Non-GAAP Managed Service Gross Margin (%)</td>
<td>17%</td>
</tr>
<tr>
<td>GAAP COR</td>
<td>81.5</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>-0.3</td>
</tr>
<tr>
<td>Non-GAAP Total COR</td>
<td>81.2</td>
</tr>
<tr>
<td>Non-GAAP Total Gross Margin (%)</td>
<td>68%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Q1-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAAP Marketplace COR</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP Marketplace COR</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>Non-GAAP Marketplace Gross Margin (%)</td>
<td>25%</td>
<td>23%</td>
<td>22%</td>
<td>22%</td>
</tr>
<tr>
<td>GAAP Managed Services COR</td>
<td>83%</td>
<td>83%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>Non-GAAP Managed Services COR</td>
<td>83%</td>
<td>83%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>Non-GAAP Managed Service Gross Margin (%)</td>
<td>83%</td>
<td>83%</td>
<td>81%</td>
<td>81%</td>
</tr>
<tr>
<td>GAAP COR</td>
<td>32%</td>
<td>29%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Non-GAAP Total COR</td>
<td>32%</td>
<td>29%</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Non-GAAP Total Gross Margin (%)</td>
<td>32%</td>
<td>29%</td>
<td>28%</td>
<td>27%</td>
</tr>
</tbody>
</table>

Notes: (1) Figures have been rounded. (2) Marketplace gross margin is using Marketplace revenue and total COR less Managed Services COR. (3) Managed Services gross margin is using Managed Services revenue and Managed Services COR.
## GAAP to Non-GAAP Reconciliation

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>Q1-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GAAP R&amp;D</strong></td>
<td>55.5</td>
<td>64.0</td>
<td>83.5</td>
<td>26.6</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>-3.3</td>
<td>-6.5</td>
<td>-9.8</td>
<td>-3.3</td>
</tr>
<tr>
<td><strong>Non-GAAP R&amp;D</strong></td>
<td>52.2</td>
<td>57.6</td>
<td>73.7</td>
<td>23.3</td>
</tr>
<tr>
<td><strong>GAAP S&amp;M</strong></td>
<td>73.0</td>
<td>95.9</td>
<td>133.2</td>
<td>39.6</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>-1.6</td>
<td>-2.6</td>
<td>-4.4</td>
<td>-1.3</td>
</tr>
<tr>
<td><strong>Non-GAAP S&amp;M</strong></td>
<td>71.3</td>
<td>93.3</td>
<td>128.8</td>
<td>38.3</td>
</tr>
<tr>
<td><strong>GAAP G&amp;A</strong></td>
<td>49.3</td>
<td>67.3</td>
<td>71.5</td>
<td>23.5</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>-5.2</td>
<td>-9.3</td>
<td>-10.5</td>
<td>-6.4</td>
</tr>
<tr>
<td>Amortization</td>
<td>-2.7</td>
<td>-2.7</td>
<td>-2.7</td>
<td>-0.7</td>
</tr>
<tr>
<td>Non-cash charitable</td>
<td>-0.2</td>
<td>-0.7</td>
<td>-0.8</td>
<td>-0.2</td>
</tr>
<tr>
<td><strong>Non-GAAP G&amp;A</strong></td>
<td>41.3</td>
<td>54.7</td>
<td>57.6</td>
<td>16.2</td>
</tr>
</tbody>
</table>

### Notes:
1. Figures have been rounded.