



NEWS RELEASE

Olo Announces Third Quarter 2024 Financial Results

2024-11-07

Revenue up 24%, ARPU up 15% Year-over-Year

Ending Active Locations Reach Approximately 85,000

NEW YORK--(BUSINESS WIRE)-- Olo Inc. (NYSE:OLO) ("Olo" or the "Company"), a leading open SaaS platform for restaurants, today announced financial results for the third quarter ended September 30, 2024.

"Team Olo executed well on our top priorities in the third quarter and positioned us to complete a successful 2024. We continued to win, retain, and expand with brands, we drove further innovation across our Order, Pay, and Engage product suites — including the general availability of Olo Pay's card-present functionality on Qu point-of-sale systems — and we delivered revenue and bottom line performance that exceeded the high-end of our guidance ranges," said Noah Glass, Olo's Founder and CEO. "Olo is winning on the strength of our open, enterprise-grade platform, while setting the table for brands to leverage their own transaction data to personalize the guest experience and drive profitable traffic."

Third Quarter Financial and Other Highlights

- Total revenue increased 24% year-over-year to \$71.9 million.
- Total platform revenue increased 24% year-over-year to \$71.0 million.
- Gross profit increased 13% year-over-year to \$39.0 million, and was 54% of total revenue.

- Non-GAAP gross profit increased 12% year-over-year to \$43.6 million, and was 61% of total revenue.
- Operating loss was \$8.5 million, or (12)% of total revenue, compared to operating loss of \$16.3 million, or (28)% of total revenue, a year ago.
- Non-GAAP operating income was \$8.2 million, or 11% of total revenue, compared to \$5.7 million, or 10% of total revenue, a year ago.
- Net loss was \$3.6 million, or \$0.02 per share, compared to a net loss of \$11.8 million, or \$0.07 per share a year ago.
- Non-GAAP net income was \$10.4 million, or \$0.06 per share, compared to non-GAAP net income of \$7.6 million or \$0.04 per share a year ago.
- Cash, cash equivalents, and short- and long-term investments totaled \$391.9 million as of September 30, 2024.
- Average revenue per unit (ARPU) increased 15% year-over-year, and remained flat sequentially at approximately \$850.
- Dollar-based net revenue retention (NRR) was above 120%.
- Ending active locations were approximately 85,000, up approximately 3,000 from the quarter ended June 30, 2024.

Third Quarter and Recent Business Highlights

- Enterprise brands: Multi-module new deployments included Dutch Bros on Olo Ordering and Olo Pay for card-not-present transactions and Paris Baguette for Olo Order suite modules and Olo Pay for card-not-present transactions. Additional new deployments included Long John Silver's on Olo Rails, and Nothing Bundt Cakes on Olo Dispatch. Expansion deployments included Another Broken Egg Cafe and P.F. Chang's on Olo Engage's Guest Data Platform.
- Emerging enterprise brands: Multi-suite new deployments included Oakberry, Papa Gino's, and Pizza Inn. Olo Engage expansion deployments included Kolache Factory and Thompson Restaurants.
- Catering+: Expansion deployments included Bojangles, Cowboy Chicken, and Mendocino Farms. Deeper partnership announced with ezCater to enable Catering+ brands to more easily manage ezCater orders and scale this increasingly important demand channel.
- Innovation: Announced numerous product enhancements during Olo's 2024 Fall Release event, including: the availability of Olo Pay's card-present payment processing for brands on Qu point-of-sale (POS) systems; new functionality within Catering+ to help operators manage complex business accounts; and brand loyalty program sign-in integration with Olo's Borderless passwordless guest checkout solution. The full list of features announced are available by visiting www.olo.com/quarterly-release/fall-2024.

Financial Outlook

As of November 7, 2024, Olo is issuing the following outlook:

For the fourth quarter of 2024, Olo expects to report:

- Revenue in the range of \$72.5 million to \$73.0 million; and
- Non-GAAP operating income in the range of \$8.7 million to \$9.0 million.

For fiscal year 2024, Olo expects to report:

- Revenue in the range of \$281.4 million to \$281.9 million; and
- Non-GAAP operating income in the range of \$30.2 million to \$30.5 million.

The outlook provided above constitutes forward-looking information within the meaning of applicable securities laws and is based on a number of assumptions and subject to a number of risks. Actual results could vary materially as a result of numerous factors, including inaccuracies in our assumptions and certain risk factors, many of which are beyond Olo's control. Olo assumes no obligation to update these forward-looking statements. See the cautionary note regarding "Forward-Looking Statements" below.

Webcast and Conference Call Information

Olo will host a conference call today, November 7, 2024, at 5:00 p.m. Eastern Time to discuss the Company's financial results and financial outlook. A live webcast of this conference call will be available on the "Investor Relations" website at investors.olo.com, and a replay will be archived on the website as well.

Available Information

Olo announces material information to the public about the Company, its products and services, and other matters through a variety of means, including filings with the SEC, press releases, public conference calls, webcasts, the "Investor Relations" website at investors.olo.com, and the Company's X (formerly Twitter) account @Olo in order to achieve broad, non-exclusionary distribution of information to the public and for complying with its disclosure obligations under Regulation FD.

About Olo

Olo (NYSE: OLO) is a leading restaurant technology provider with ordering, payment, and guest engagement solutions that help brands increase orders, streamline operations, and improve the guest experience. Each day, Olo processes millions of orders on its open SaaS platform, gathering the right data from each touchpoint into a single source—so restaurants can better understand and better serve every guest on every channel, every time. Over 700

restaurant brands trust Olo and its network of more than 400 integration partners to innovate on behalf of the restaurant community, accelerating technology's positive impact and creating a world where every restaurant guest feels like a regular. Learn more at olo.com.

Non-GAAP Financial Measures and Other Metrics

Non-GAAP Financial Measures

In this press release, we refer to non-GAAP financial measures that are derived on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States, or GAAP. We use non-GAAP financial measures, as described below, in conjunction with financial measures prepared in accordance with GAAP for planning purposes, including in the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These measures provide consistency and comparability with past financial performance as measured by such non-GAAP figures, facilitate period-to-period comparisons of core operating results, and assist shareholders in better evaluating us by presenting period-over-period operating results without the effect of certain charges or benefits that may not be consistent or comparable across periods or compared to other registrants' similarly named non-GAAP financial measures and key performance indicators.

A reconciliation of these non-GAAP measures has been provided in the financial statement tables included in this press release and investors are encouraged to review the reconciliation. Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of our financial results as reported under GAAP. Because our non-GAAP financial measures are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies.

The following are the non-GAAP financial measures referenced in this press release and presented in the tables below: non-GAAP gross profit (total and each line item, and total and each non-GAAP gross profit item on a margin basis as a percentage of revenue), non-GAAP operating expenses (each line item and each non-GAAP operating expense item on a margin basis as a percentage of revenue), non-GAAP operating income (and on a margin basis as a percentage of revenue), non-GAAP net income (and on a per share basis), and free cash flow.

We adjust our GAAP financial measures for the following items: stock-based compensation expense (non-cash expense calculated by companies using a variety of valuation methodologies and subjective assumptions) and related payroll tax expense, equity expense related to charitable contributions of our Class A common stock (non-cash expense), certain litigation-related expenses, net of recoveries (which relate to legal and other professional fees associated with litigation-related matters that are not indicative of our core operations and are not part of our

normal course of business), loss on disposal of assets, capitalized internal-use software and intangible amortization (non-cash expense), non-cash impairment charges, restructuring charges, certain severance costs, and transaction costs (typically incurred within one year of the related acquisition, as well as the related tax impacts of the acquisition). Beginning in the second quarter of 2023, we have included the tax impact of the non-GAAP adjustments in determining non-GAAP net income. We determined this amount by utilizing a federal rate plus a net state rate that excluded the impact of net operating losses, or NOLs, and valuation allowances to calculate a non-GAAP blended statutory rate, which we then applied to all non-GAAP adjustments.

Reconciliation of non-GAAP operating income guidance to the most directly comparable GAAP measures is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures; in particular, the measures and effects of stock-based compensation expense and related payroll tax expense specific to equity compensation awards that are directly impacted by unpredictable fluctuations in our stock price. We expect the variability of the above charges to have a significant, and potentially unpredictable, impact on our future GAAP financial results.

Management believes that it is useful to exclude certain non-cash charges and non-core operational charges from our non-GAAP financial measures because: (1) the amount of such expenses in any specific period may not directly correlate to the underlying performance of our business operations and we believe does not relate to ongoing operational performance; and (2) such expenses can vary significantly between periods.

Free cash flow represents net cash provided by or used in operating activities, reduced by purchases of property and equipment and capitalization of internal-use software. Free cash flow is a measure used by management to understand and evaluate our liquidity and to generate future operating plans. Free cash flow excludes items that we do not consider to be indicative of our liquidity and facilitates comparisons of our liquidity on a period-to-period basis. We believe providing free cash flow provides useful information to investors and others in understanding and evaluating the strength of our liquidity and future ability to generate cash that can be used for strategic opportunities or investing in our business from the perspective of our management and Board of Directors.

Key Performance Indicators

In addition, we also use the following key performance indicators to help us evaluate our business, identify trends affecting the business, formulate business plans, and make strategic decisions.

Average revenue per unit (ARPU) : We calculate ARPU by dividing the total platform revenue in a given period by the average active locations in that same period. We believe ARPU is an important metric that demonstrates our ability to grow within our customer base through the development of our products that our customers value.

Dollar-based net revenue retention (NRR) : We calculate NRR as of a period-end by starting with the revenue, defined as platform revenue, from the cohort of all active customers as of 12 months prior to such period-end, or the prior period revenue. An active customer is a specific restaurant brand that utilizes one or more of our modules in a given quarterly period. We then calculate the platform revenue from these same customers as of the current period-end, or the current period revenue. Current period revenue includes any expansion and is net of contraction or attrition over the last 12 months, but excludes platform revenue from new customers in the current period. We then divide the total current period revenue by the total prior period revenue to arrive at the point-in-time dollar-based NRR. We believe that NRR is an important metric to our investors, demonstrating our ability to retain our customers and expand their use of our modules over time, proving the stability of our revenue base and the long-term value of our customer relationships.

Active locations : We define an active location as a unique restaurant location that is utilizing or subscribed to one or more of our modules in a quarterly period (depending on the module). Given this definition, active locations in any one quarter may not reflect (i) the future impact of new customer wins as it can take some time for their locations to go live with our platform, or (ii) the customers who have indicated their intent to reduce or terminate their use of our platform in future periods. Of further note, not all of our customer locations may choose to utilize our products, and while we aim to deploy all of a customer's locations, not all locations may ultimately deploy.

Gross merchandise volume (GMV) : We define GMV as the gross value of orders processed through our platform.

Gross payment volume (GPV) : We define GPV as the gross volume of payments processed through Olo Pay.

Our management uses GMV and GPV metrics to assess demand for our products. We also believe GMV and GPV provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

Forward-Looking Statements

Statements we make in this press release include statements that are considered forward-looking within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act, which may be identified by the use of words such as "anticipates," "believes," "continue," "estimates," "expects," "intends," "may," "plans," "projects," "outlook," "seeks," "should," "will," and similar terms or the negative of such terms. All statements other than statements of historical fact are forward-looking statements for purposes of this release.

We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking

statements contained in Section 27A of the Securities Act and Section 21E of the Securities Exchange Act and are making this statement for purposes of complying with those safe harbor provisions. These statements include, but are not limited to, our financial guidance for the fourth quarter of 2024 and the full year 2024, our future performance and growth and market opportunities, including new products and continued module adoption among new and existing customers, the continued expansion of ARPU, our expectations regarding the growth of active locations, revenue expectations for our Order, Pay, and Engage suites, our business strategy, and our expectations regarding other financial and operational metrics and advancements in our industry. Accordingly, actual results could differ materially or such uncertainties could cause adverse effects on our results.

Forward-looking statements are based upon various estimates and assumptions, as well as information known to us as of the date of this press release, and are subject to risks and uncertainties, including but not limited to: the effects of public health crises, macroeconomic conditions, including inflation, changes in discretionary spending, fluctuating interest rates, geopolitical instability, and overall market uncertainty; our ability to acquire new customers, have existing customers (including our emerging enterprise customers) adopt additional modules, and successfully retain existing customers; our ability to compete effectively with existing competitors, new market entrants, and customers generally developing their own solutions to replace our products; our ability to develop and release new and successful products and services, and develop and release successful enhancements, features, and modifications to our existing products and services; the continued growth of Olo Pay; the costs and success of our sales and marketing efforts, and our ability to promote our brand; our long and unpredictable sales cycles; our ability to identify, recruit, and retain skilled personnel; our ability to effectively manage our growth, including any international expansion; our ability to realize the anticipated benefits of past or future investments, strategic transactions, or acquisitions, and the risk that the integration of these acquisitions may disrupt our business and management; our ability to protect our intellectual property rights and any costs associated therewith; the growth rates of the markets in which we compete and our ability to expand our market opportunity; our actual or perceived failure to comply with our obligations related to data privacy, cybersecurity, and processing payment transactions; the impact of new and existing laws and regulations on our business; changes to our strategic relationships with third parties; our reliance on a limited number of delivery service providers and aggregators; our ability to generate revenue from our product offerings and the effects of fluctuations in our level of customer spend retention; the durability of the growth we experienced in the past, guest preferences for digital ordering and customer adoption of multiple modules; and other general market, political, economic, and business conditions. Actual results could differ materially from those predicted or implied, and reported results should not be considered an indication of future performance. Additionally, these forward-looking statements, particularly our guidance, involve risks, uncertainties, and assumptions, including those related to our customers' spending decisions and guest ordering behavior. Significant variations from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant.

Additional risks and uncertainties that could affect our financial results and forward-looking statements are included under the caption “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2024 that will be filed following this press release, our Annual Report on Form 10-K for the year ended December 31, 2023, and our other SEC filings, which are available on our “Investor Relations” website at investors.olo.com and on the SEC website at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in this press release. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events.

OLO INC.
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share amounts)

	As of September 30, 2 024	As of December 31, 2 023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 272,180	\$ 278,218
Short-term investments	77,533	84,331
Accounts receivable, net of expected credit losses of \$4,288 and \$2,785, respectively	55,886	70,264
Contract assets	500	412
Deferred contract costs	5,450	4,743
Prepaid expenses and other current assets	13,584	12,769
Total current assets	425,133	450,737
Property and equipment, net of accumulated depreciation and amortization of \$17,522 and \$10,111, respectively	26,497	22,055
Intangible assets, net of accumulated amortization of \$11,233 and \$8,264, respectively	14,769	17,738
Goodwill	207,781	207,781
Contract assets, noncurrent	1,168	352
Deferred contract costs, noncurrent	5,810	5,806
Operating lease right-of-use assets	9,988	12,529
Long-term investments	42,140	25,748
Other assets, noncurrent	39	73
Total assets	\$ 733,325	\$ 742,819
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,462	\$ 4,582
Accrued expenses and other current liabilities	48,094	68,240
Unearned revenue	1,965	1,533
Operating lease liabilities, current	2,552	2,859
Total current liabilities	54,073	77,214
Unearned revenue, noncurrent	182	57
Operating lease liabilities, noncurrent	12,159	13,968
Other liabilities, noncurrent	—	109
Total liabilities	66,414	91,348
Stockholders' equity:		
Class A common stock, \$0.001 par value; 1,700,000,000 shares authorized at September 30, 2024 and December 31, 2023; 111,275,660 and 108,469,679 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively. Class B common stock, \$0.001 par value; 185,000,000 shares authorized at September 30, 2024 and December 31, 2023; 51,993,616 and 54,891,834 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively	163	163
Preferred stock, \$0.001 par value; 20,000,000 shares authorized at September 30, 2024 and December 31, 2023	—	—
Additional paid-in capital	882,461	867,152
Accumulated deficit	(216,091)	(215,829)
Accumulated other comprehensive income (loss)	378	(15)
Total stockholders' equity	666,911	651,471
Total liabilities and stockholders' equity	\$ 733,325	\$ 742,819

OLO INC.
Condensed Consolidated Statements of Operations (Unaudited)
(in thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue:				
Platform	\$ 70,999	\$ 57,261	\$ 206,364	\$ 163,235
Professional services and other	854	533	2,504	2,050
Total revenue	71,853	57,794	208,868	165,285
Cost of revenue:				
Platform	32,081	22,203	90,197	59,537
Professional services and other	763	1,026	2,549	3,220
Total cost of revenue	32,844	23,229	92,746	62,757
Gross profit	39,009	34,565	116,122	102,528
Operating expenses:				
Research and development	17,170	18,035	51,126	56,806
General and administrative	15,130	21,307	36,550	56,986
Sales and marketing	12,832	11,363	40,752	36,438
Restructuring charges	2,396	166	2,396	6,848
Total operating expenses	47,528	50,871	130,824	157,078
Loss from operations	(8,519)	(16,306)	(14,702)	(54,550)
Other income, net:				
Interest income	4,936	4,598	14,687	12,207
Interest expense	(14)	(43)	(98)	(165)
Other (expense) income	(1)	(1)	2	(1)
Total other income, net	4,921	4,554	14,591	12,041
Loss before income taxes	(3,598)	(11,752)	(111)	(42,509)
Provision for income taxes	37	7	151	32
Net loss	\$ (3,635)	\$ (11,759)	\$ (262)	\$ (42,541)
Net loss per share attributable to Class A and Class B common stockholders:				
Basic	\$ (0.02)	\$ (0.07)	\$ 0.00	\$ (0.26)
Diluted	\$ (0.02)	\$ (0.07)	\$ 0.00	\$ (0.26)
Weighted-average Class A and Class B common shares outstanding:				
Basic	162,477,259	163,991,486	162,005,026	162,674,062
Diluted	162,477,259	163,991,486	162,005,026	162,674,062

OLO INC.
Condensed Consolidated Statements of Cash Flows (Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2024	2023
Operating activities		
Net loss	\$ (262)	\$ (42,541)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	10,380	7,283
Stock-based compensation	31,757	41,341
Charitable donation of Class A common stock	—	1,136
Provision for expected credit losses	3,798	1,495
Non-cash lease expense	1,978	2,079
Loss on disposal of assets	—	38
Non-cash impairment charges	1,079	—
Other non-cash operating activities, net	(1,576)	(1,883)

Changes in operating assets and liabilities:		
Accounts receivable	10,580	(23,580)
Contract assets	(903)	(156)
Prepaid expenses and other current and noncurrent assets	(778)	2,835
Deferred contract costs	(711)	(2,588)
Accounts payable	(3,119)	(2,069)
Accrued expenses and other current liabilities	(20,167)	7,189
Operating lease liabilities	(2,116)	(2,226)
Unearned revenue	558	(812)
Other liabilities, noncurrent	(109)	76
Net cash provided by (used in) operating activities	30,389	(12,383)
Investing activities		
Purchases of property and equipment	(782)	—
Capitalized internal-use software	(9,459)	(10,023)
Purchases of investments	(96,467)	(96,501)
Sales and maturities of investments	88,842	88,155
Net cash used in investing activities	(17,866)	(18,369)
Financing activities		
Cash received for employee payroll tax withholdings	5,367	13,902
Cash paid for employee payroll tax withholdings	(5,351)	(13,896)
Proceeds from exercise of stock options and purchases under employee stock purchase plan	3,604	10,208
Repurchase of common stock	(22,181)	(43,134)
Net cash used in financing activities	(18,561)	(32,920)
Net decrease in cash and cash equivalents	(6,038)	(63,672)
Cash and cash equivalents, beginning of period	278,218	350,073
Cash and cash equivalents, end of period	\$ 272,180	\$ 286,401

OLO INC.
Reconciliation of GAAP to Non-GAAP Results (Unaudited)
(in thousands, except for percentages and share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Gross profit and gross margin reconciliation:				
Platform gross profit, GAAP	\$ 38,918	\$ 35,058	\$ 116,167	\$ 103,698
Plus: Stock-based compensation expense and related payroll tax expense	1,223	1,717	4,121	5,367
Plus: Capitalized internal-use software and intangible amortization	3,296	2,344	8,945	5,819
Platform gross profit, non-GAAP	43,437	39,119	129,233	114,884
Services gross profit, GAAP	91	(493)	(45)	(1,170)
Plus: Stock-based compensation expense and related payroll tax expense	85	171	268	551
Services gross profit, non-GAAP	176	(322)	223	(619)
Total gross profit, GAAP	39,009	34,565	116,122	102,528
Total gross profit, non-GAAP	43,613	38,797	129,456	114,265
Platform gross margin, GAAP	55%	61%	56%	64%
Platform gross margin, non-GAAP	61%	68%	63%	70%
Services gross margin, GAAP	11%	(92)%	(2)%	(57)%
Services gross margin, non-GAAP	21%	(60)%	9%	(30)%
Total gross margin, GAAP	54%	60%	56%	62%
Total gross margin, non-GAAP	61%	67%	62%	69%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Sales and marketing reconciliation:				
Sales and marketing, GAAP	\$ 12,832	\$ 11,363	\$ 40,752	\$ 36,438
Less: Stock-based compensation expense and related payroll tax expense	1,480	1,608	4,605	6,306
Less: Intangible amortization	341	342	1,024	1,024
Less: Certain severance costs	—	—	—	121
Sales and marketing, non-GAAP	11,011	9,413	35,123	28,987

Sales and marketing as % total revenue, GAAP	18%	20%	20%	22%
Sales and marketing as % total revenue, non-GAAP	15%	16%	17%	18%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Research and development reconciliation:				
Research and development, GAAP	\$ 17,170	\$ 18,035	\$ 51,126	\$ 56,806
Less: Stock-based compensation expense and related payroll tax expense	2,863	3,760	8,740	12,270
Less: Non-cash capitalized software impairment	—	—	517	—
Research and development, non-GAAP	14,307	14,275	41,869	44,536
Research and development as % total revenue, GAAP	24%	31%	25%	34%
Research and development as % total revenue, non-GAAP	20%	25%	20%	27%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
General and administrative reconciliation:				
General and administrative, GAAP	\$ 15,130	\$ 21,307	\$ 36,550	\$ 56,986
Less: Stock-based compensation expense and related payroll tax expense	5,064	5,756	14,736	16,510
Less: Charitable donation of Class A common stock	—	1,136	—	1,136
Less: Certain litigation-related expenses, net of recoveries	(45)	4,944	(9,879)	8,803
Less: Non-cash impairment charge associated with corporate headquarters	—	—	563	—
Less: Intangible amortization	41	40	122	122
Less: Certain severance costs	—	—	—	709
Less: Loss on disposal of assets	—	—	—	38
Less: Transaction costs	—	—	—	358
General and administrative, non-GAAP	10,070	9,431	31,008	29,310
General and administrative as % total revenue, GAAP	21%	37%	18%	34%
General and administrative as % total revenue, non-GAAP	14%	16%	15%	18%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Operating income (loss) reconciliation:				
Operating loss, GAAP	\$ (8,519)	\$ (16,306)	\$ (14,702)	\$ (54,550)
Plus: Stock-based compensation expense and related payroll tax expense	10,715	13,012	32,470	41,004
Plus: Charitable donation of Class A common stock	—	1,136	—	1,136
Plus: Certain litigation-related expenses, net of recoveries	(45)	4,944	(9,879)	8,803
Plus: Non-cash impairment charge associated with corporate headquarters	—	—	563	—
Plus: Non-cash capitalized internal-use software impairment	—	—	517	—
Plus: Capitalized internal-use software and intangible amortization	3,678	2,726	10,091	6,965
Plus: Restructuring charges	2,396	166	2,396	6,848
Plus: Certain severance costs	—	—	—	830
Plus: Loss on disposal of assets	—	—	—	38
Plus: Transaction costs	—	—	—	358
Operating income, non-GAAP	8,225	5,678	21,456	11,432
Operating margin, GAAP	(12)%	(28)%	(7)%	(33)%
Operating margin, non-GAAP	11%	10%	10%	7%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss) reconciliation:				
Net loss, GAAP	\$ (3,635)	\$ (11,759)	\$ (262)	\$ (42,541)
Plus: Stock-based compensation expense and related payroll tax expense	10,715	13,012	32,470	41,004
Plus: Charitable donation of Class A common stock	—	1,136	—	1,136
Plus: Certain litigation-related expenses, net of recoveries	(45)	4,944	(9,879)	8,803
Plus: Non-cash impairment charge associated with corporate headquarters	—	—	563	—
Plus: Non-cash capitalized internal-use software impairment	—	—	517	—
Plus: Capitalized internal-use software and intangible amortization	3,678	2,726	10,091	6,965
Plus: Restructuring charges	2,396	166	2,396	6,848
Plus: Certain severance costs	—	—	—	830
Plus: Loss on disposal of assets	—	—	—	38
Plus: Transaction costs	—	—	—	358
Less: Tax impact of non-GAAP adjustments ⁽¹⁾	(2,720)	(2,666)	(8,526)	(6,116)
Net income, non-GAAP	10,389	7,559	27,370	17,325
Fully diluted net loss per share attributable to Class A and Class B common stockholders, GAAP	\$ (0.02)	\$ (0.07)	\$ —	\$ (0.26)
Fully diluted weighted average Class A and Class B common shares outstanding, GAAP	162,477,259	163,991,486	162,005,026	162,674,062
Fully diluted net income per share attributable to Class A and Class B common stockholders, non-GAAP	\$ 0.06	\$ 0.04	\$ 0.16	\$ 0.10
Fully diluted Class A and Class B common shares outstanding, non-GAAP	171,947,446	176,719,100	171,723,141	177,626,336

(1) We utilized a federal corporate and state rate that excluded the impact of NOLs and valuation allowances to calculate our non-GAAP blended statutory rate of 24.07% and 26.06% for the nine months ended September 30, 2024 and 2023, respectively.

OLO INC.
Non-GAAP Free Cash Flow (Unaudited)
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net cash provided by (used in) operating activities	\$ 6,231	\$ (21,649)	\$ 30,389	\$ (12,383)
Purchase of property and equipment	(415)	—	(782)	—
Capitalized internal-use software	(2,628)	(2,744)	(9,459)	(10,023)
Non-GAAP free cash flow	\$ 3,188	\$ (24,393)	\$ 20,148	\$ (22,406)

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Source: Olo Inc.