

# Fourth Quarter 2023 Presentation

February 21, 2024

# Safe Harbor Disclosure

The material in this presentation (this “Presentation”) regarding Olo Inc. (“we,” “us” or the “Company”) is for informational purposes only. Statements we make in this Presentation 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 Presentation.

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 first 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, revenue expectations for our Order, Pay, and Engage suites, our business strategy, and our expectations regarding advancements in our industry (including our vision related to the restaurant of the future). 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 Presentation, 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, 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 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; 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, and 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 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](https://investors.olo.com) and on the SEC website at [www.sec.gov](https://www.sec.gov). Undue reliance should not be placed on the forward-looking statements in this Presentation. 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.

In addition to our financial statements, which are prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), this Presentation presents 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), our operating leverage which is measured using non-GAAP operating expenses (total and each line item, and total 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), and non-GAAP net income (and on a per share basis). 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 GAAP financial results. We use non-GAAP financial measures in conjunction with GAAP financial measures for planning purposes, including in the preparation of our annual operating budget, as a measure of our core operating results and the effectiveness of our business strategy, and in evaluating our financial performance. These measures provide consistency and comparability with past financial performance, facilitate period-to-period comparisons of core operating results, and also facilitate comparisons with other peer companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. Investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. The non-GAAP measures we use may be different from non-GAAP financial measures used by other companies, limiting their usefulness for comparison purposes. Such non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with GAAP. A reconciliation of these non-GAAP measures has been provided in the financial statement tables included in the appendix to this Presentation and investors are encouraged to review the reconciliation.

Certain information contained in this Presentation relates to or is based on studies, publications, surveys, and other data obtained from third-party sources and our own internal estimates and research. While we believe these third-party sources to be reliable as of the date of this Presentation, we have not independently verified and make no representation as to the adequacy, fairness, accuracy, or completeness of any information obtained from third-party sources. In addition, all of the market data included in this Presentation involves a number of assumptions and limitations, and there can be no guarantee as to the accuracy or reliability of such assumptions. Finally, while we believe our own internal research is reliable, such research has not been verified by any independent source.



# Leading Open SaaS Platform for Restaurants

# Olo At-a-Glance

**~700**

BRANDS

**80,000**

RESTAURANTS

**2M+**

ORDERS PER DAY

**\$787**

ARPU

**\$26B+**

GMV

**\$1B+**

GPV

*Brands and Orders per Day as of 12/31/2023. Restaurants represent Active Locations as of 12/31/2023.*

*ARPU is for the Fourth Quarter ended 12/31/2023.*

*GMV represents Gross Merchandise Volume for Full Year ended 12/31/2023. GPV represents gross volume of payments processed through Olo Pay.*

*Please see the explanation of Non-GAAP Financial Measures in the appendix for additional information.*

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It's not an on-premise business  
and an off-premise business  
anymore. It's one business.

Dave Harris, CIO Shake Shack

## Olo Poised to Enable the Breadth of Industry Orders



OFF-PREMISE

42B



ON-PREMISE

15B

A blurred background image of a restaurant interior, showing wooden tables, chairs, and warm lighting. The text is overlaid in the center.

Only **16%** of Restaurant  
Orders are Digital

# Solutions for Every Guest Touchpoint



# Olo's Flywheel





# One-to-Many Go-to-Market Strategy

Unique Mix of High Revenue Growth and Profitability



Highly Efficient GTM Strategy



# Near-Term Growth Vectors

Olo's 100x US Enterprise Opportunity



RESTAURANTS

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**4x**

More Locations



DIGITAL ENTIRETY

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**6.25x**

More Orders/Location



OLO PAY

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**4x**

More Revenue/Order



*Note: Illustrative purposes only. Company estimates as of 12/31/2021.*

*Digital Entirety represents the Olo Platform processing 100% of all restaurant industry orders, in part due to anticipated growth in multi-product adoption.*

# Food is a Large and Growing \$2 Trillion+ Industry

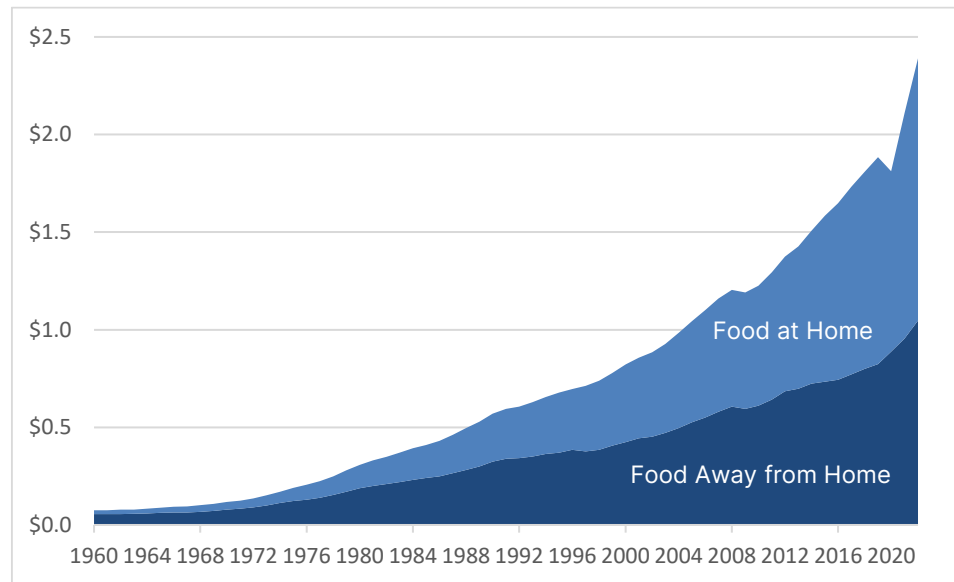
## Consumers Shifting Spending to Food Away from Home

In 2022, the share of food-at-home expenditures was 44 percent, and food away from home was 56 percent — going back to pre-pandemic levels after accounting for 51 percent in 2020.

Full-service and fast-food restaurants—the two largest segments of the commercial foodservice market—accounted for 69 percent of all food-away-from-home sales in 2022.

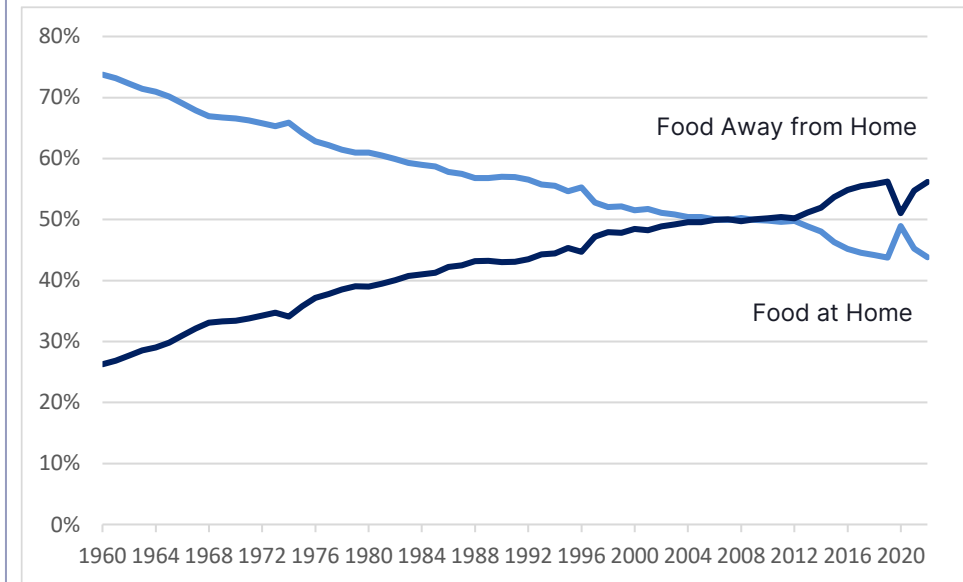
### Expenditures for food at home & away from home 1960–2022

US, Trillion Dollars



### Shares of total food expenditures, 1960–2022

Percent of Total





# The Numbers

Fourth Quarter 2023 Highlights

# Fourth Quarter 2023 Financial Highlights

- Total revenue increased 27% year-over-year to \$63.0 million.
- Total platform revenue increased 27% year-over-year to \$61.9 million.
- Gross profit increased 6% year-over-year to \$36.4 million and was 58% of total revenue.
- Non-GAAP gross profit increased 10% year-over-year to \$40.8 million and was 65% of total revenue.
- Operating loss was \$20.5 million, or (33)% of total revenue, compared to operating loss of \$10.9 million, or (22)% of total revenue, a year ago.
- Non-GAAP operating income was \$6.8 million, or 11% of total revenue compared to \$3.1 million, or 6% of total revenue, a year ago.
- Net loss was \$15.7 million or \$(0.10) per diluted share, compared to net loss of \$8.2 million or \$(0.05) per diluted share a year ago.
- Non-GAAP net income was \$8.5 million or \$0.05 per diluted share, compared to non-GAAP net income of \$4.4 million or \$0.02 per diluted share a year ago.
- Cash, cash equivalents, and short- and long-term investments totaled \$388.3 million as of December 31, 2023.
- Total shares repurchased were approximately 2.8 million for approximately \$14.9 million, bringing total repurchases under the program to 11.5 million shares for approximately \$77.9 million and leaving approximately \$22.1 million remaining on the authorization.
- Average revenue per unit (ARPU) increased 38% year-over-year and increased 6% sequentially to approximately \$787.
- Dollar-based net revenue retention (NRR) was approximately 120%.
- Ending active locations were approximately 80,000, up approximately 3% from the quarter ended September 30, 2023.

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“We finished 2023 on a strong note by surpassing the high-end of both fourth quarter revenue and non-GAAP operating income guidance, alongside notable enterprise deployments and continued product and platform innovation,” said Noah Glass, Olo’s Founder and CEO. “In 2024, we’re focused on delivering balanced growth with increased profitability, while making strategic investments in product development, go-to-market, and data-driven initiatives to help brands improve hospitality through technology. With our scale, reliability, and modularity, Olo is uniquely positioned to enable restaurants to drive sales, do more with less, and make every guest feel like a regular.”

Noah Glass

Founder & CEO, Olo

# Fourth Quarter 2023 Highlights

**27%**

Y/Y REVENUE GROWTH

**11%**

OPERATING MARGIN\*

**80,000**

ACTIVE LOCATIONS

**\$787**

ARPU

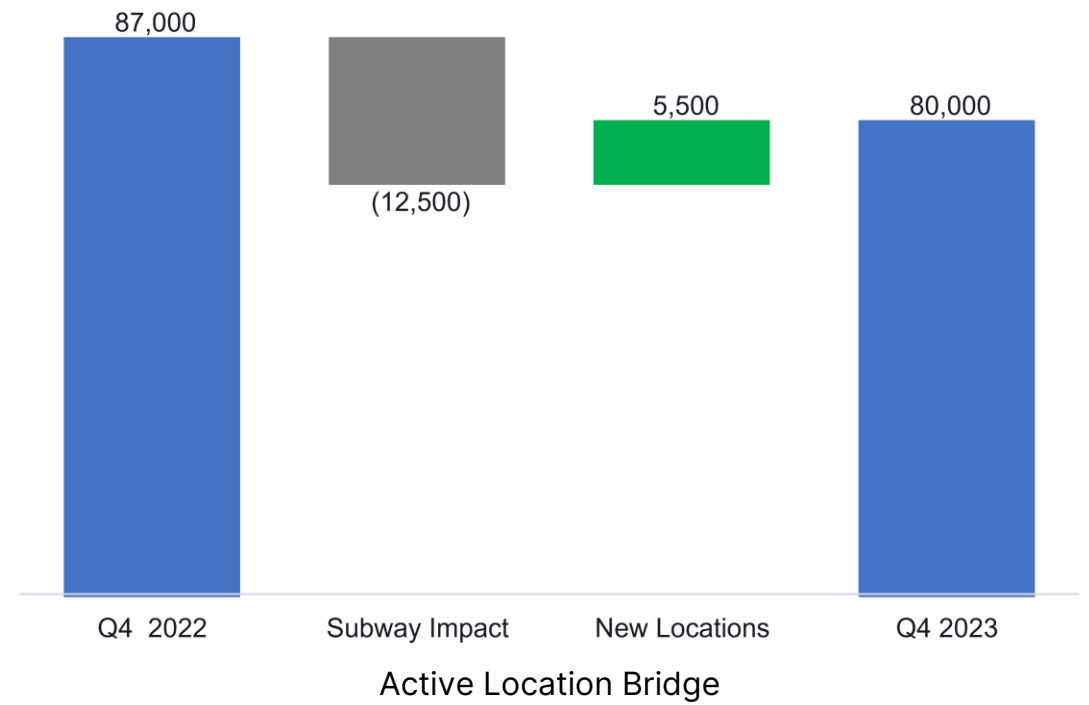


*Metrics represent Fourth Quarter ended 12/31/2023 numbers.*

*\*Operating Margin is a non-GAAP financial measure.*

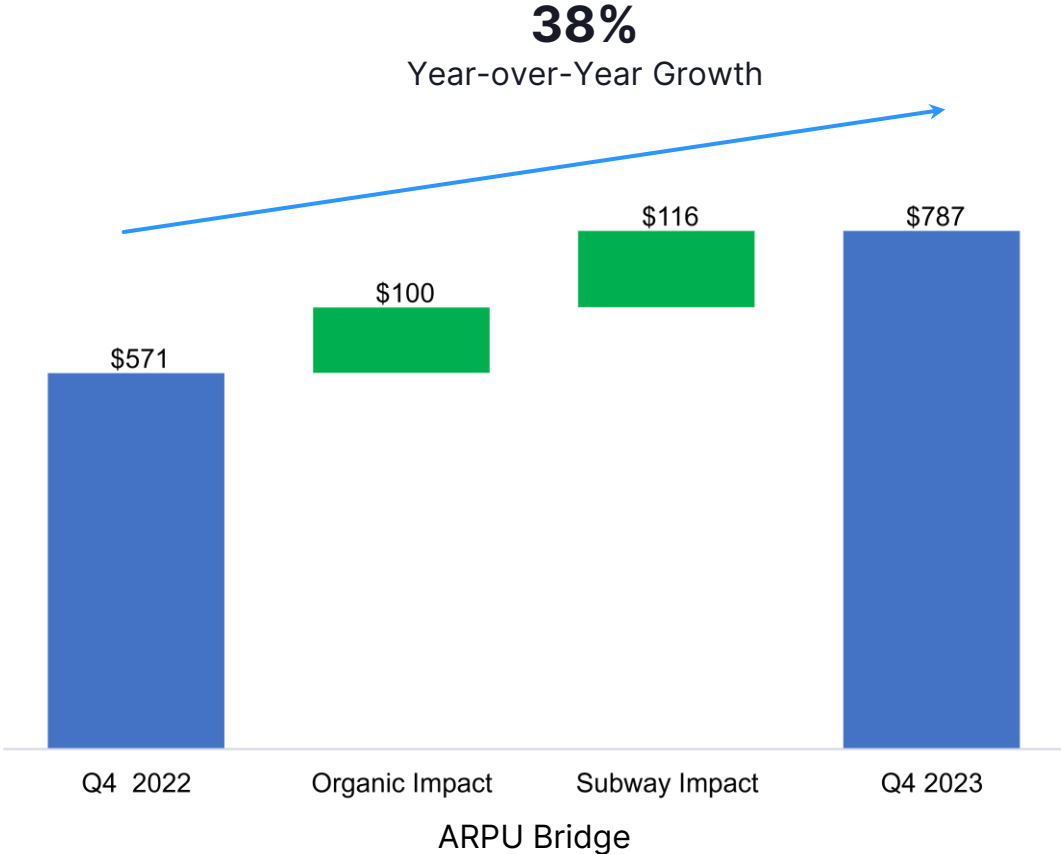
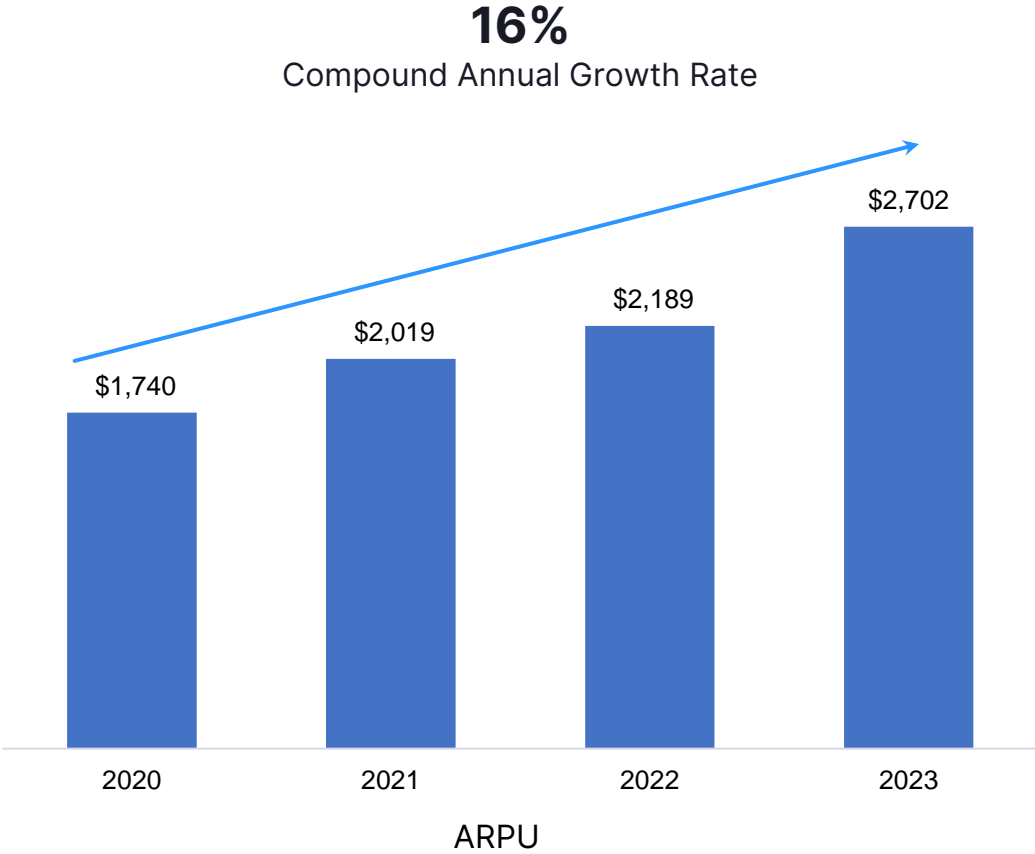
*Please see the explanation of non-GAAP Financial Measures as well as the non-GAAP reconciliation in the appendix.*

# Active Locations



Please see the explanation of non-GAAP financial measures in the appendix for information related to Active Locations.  
"Subway Impact" represents the approximate number of the brand's locations that ceased actively using the Olo platform as of 12/31/2023.  
Net new locations excludes the Subway Impact.

# Average Revenue per Unit (ARPU)

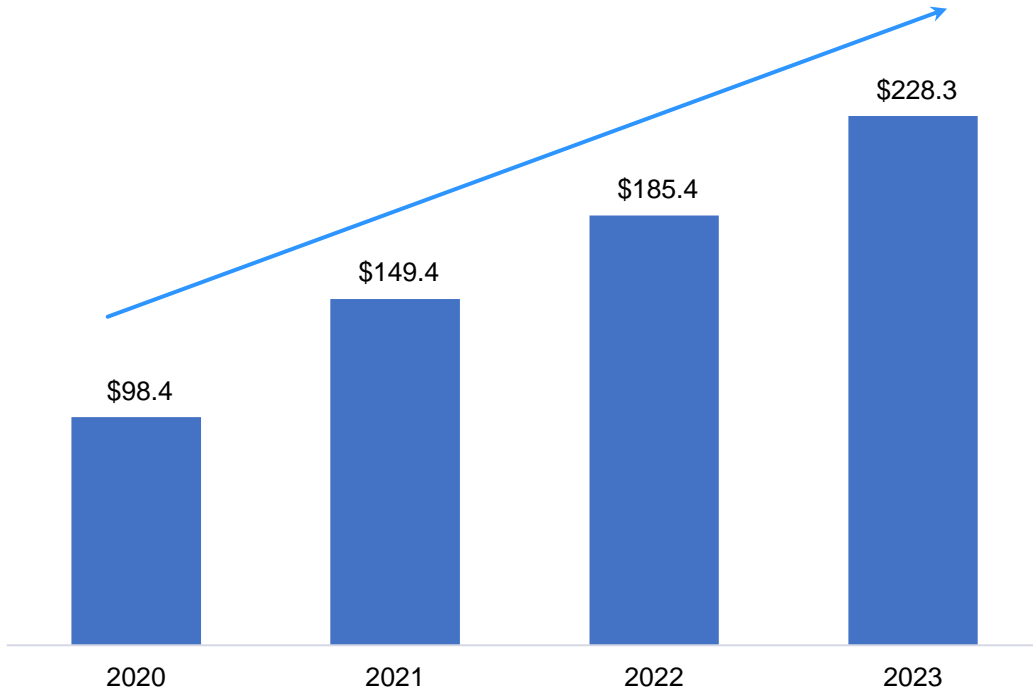


Please see the explanation of non-GAAP financial measures in the appendix for information related to ARPU. "Subway Impact" represents the increase in ARPU related to approximately 12,500 locations that ceased actively using the Olo platform as of 12/31/2023.

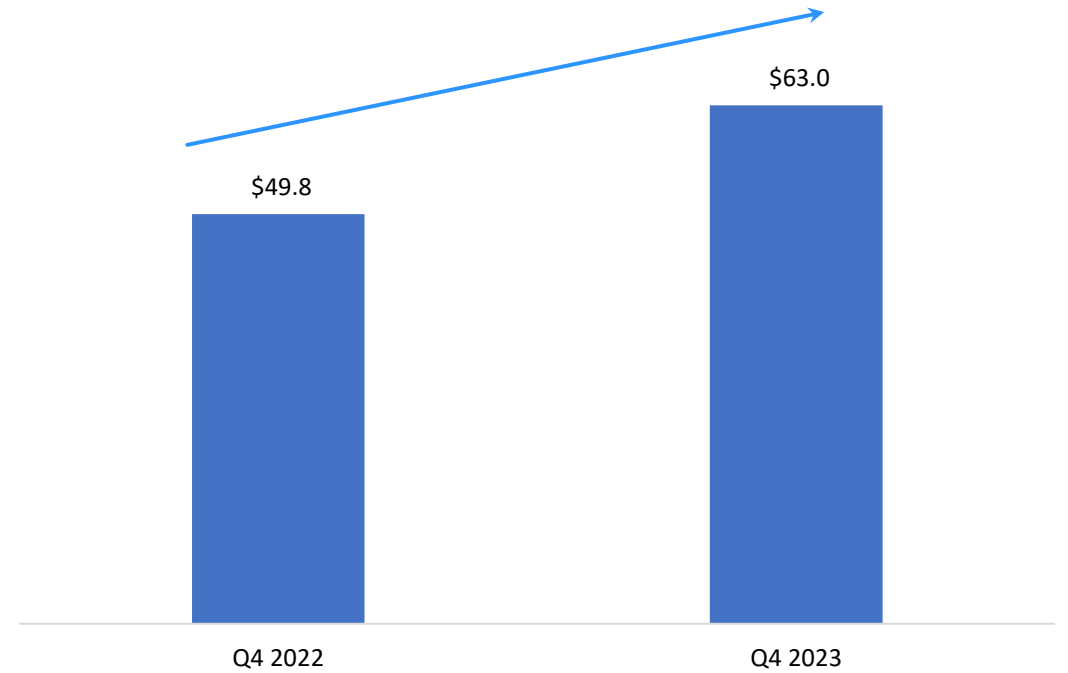


# Revenue Growth

**32%**  
Compound Annual Growth Rate

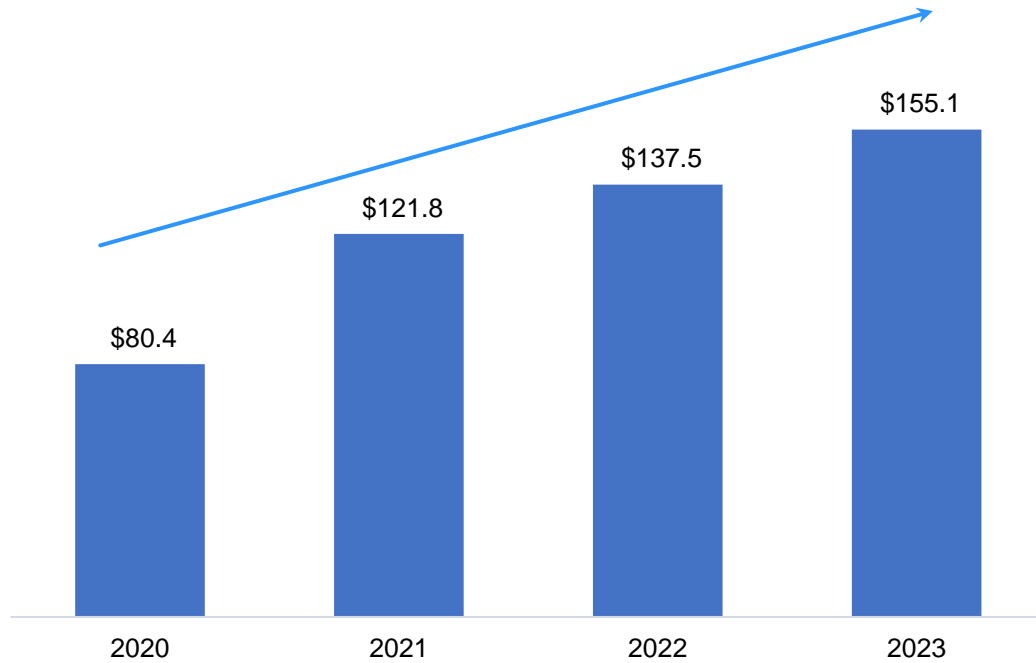


**27%**  
Year-over-Year Growth

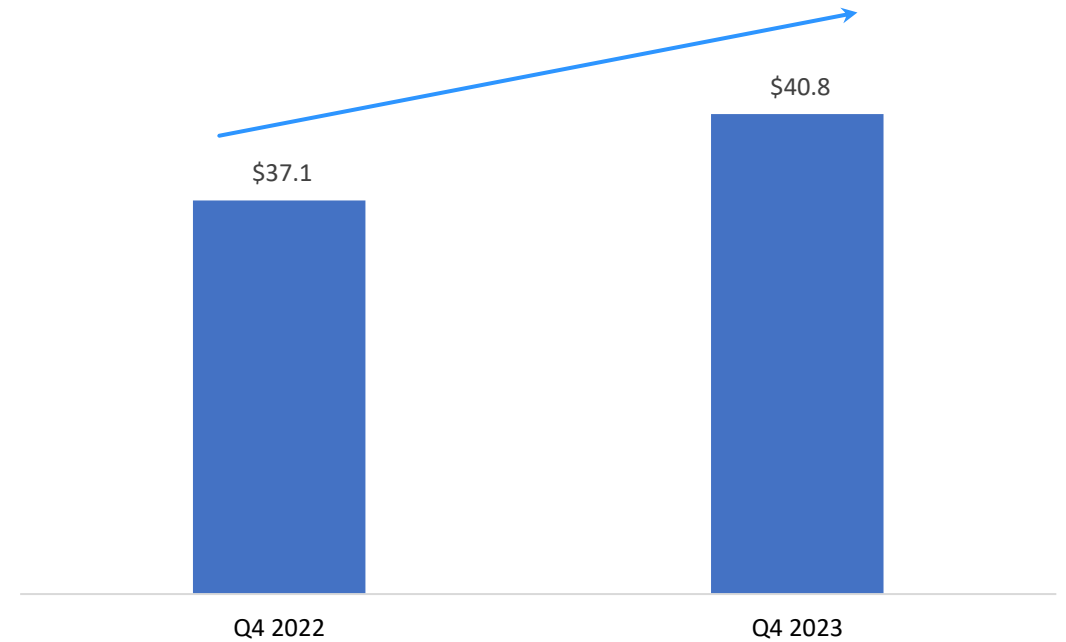


# Gross Profit\* Growth

**24%**  
Compound Annual Growth Rate



**10%**  
Year-over-Year Growth

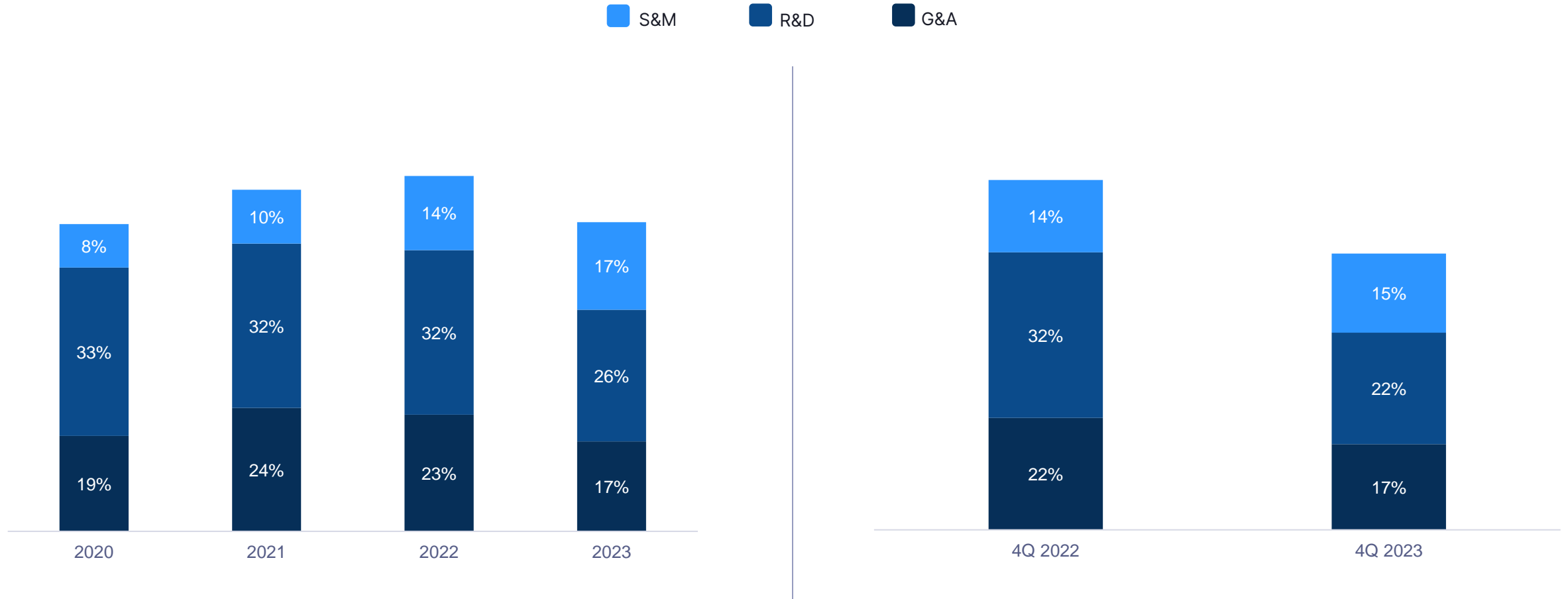


*In millions except percentages.*

*\*Gross Profit is a non-GAAP financial measure. Please see the explanation of non-GAAP measures as well as the non-GAAP reconciliation in the appendix.*

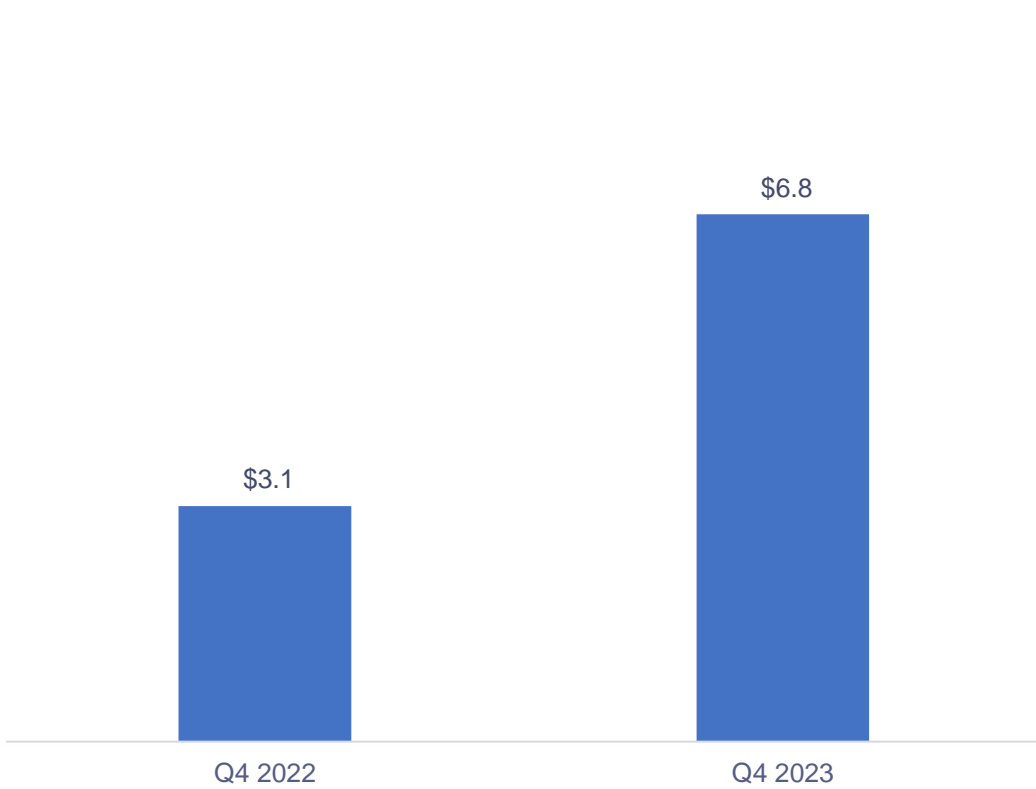
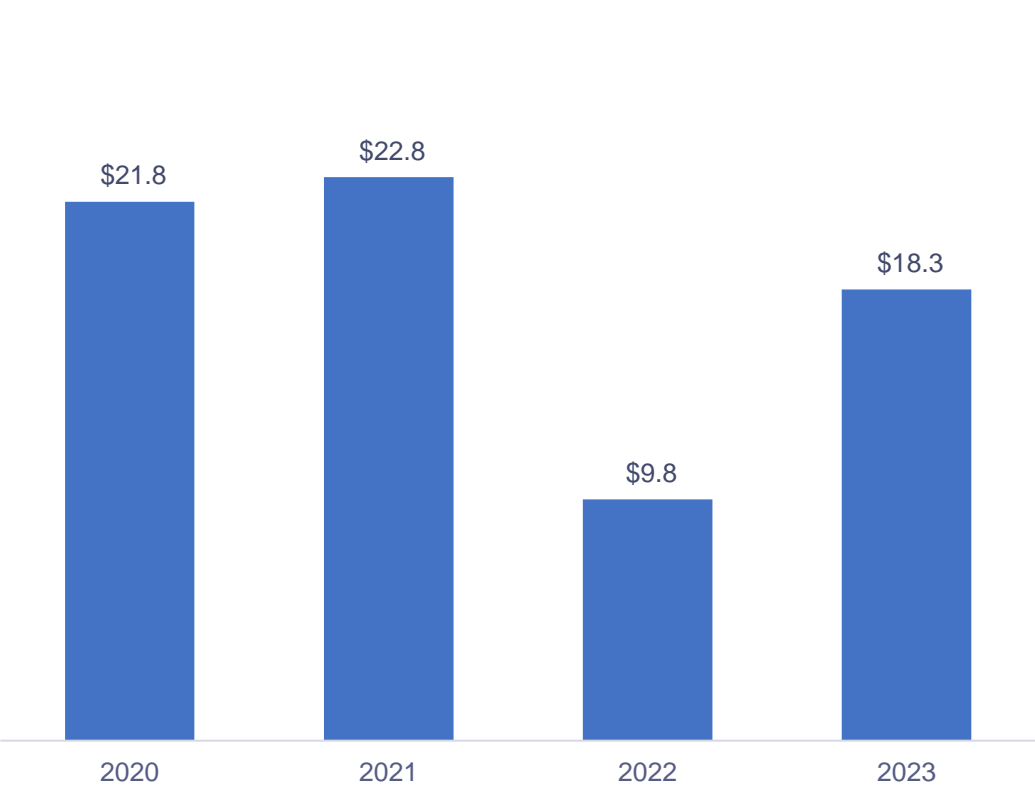
*The 2020, 2021, and 2022 figures have been adjusted to reflect the expense reclassification discussed in our Annual Report on Form 10-K for the period ended December 31, 2023.*

# Operating Model



Operating expense (each non-GAAP operating expense item as a percentage of revenue) is a non-GAAP financial measure. Please see the explanation of non-GAAP measures as well as the non-GAAP reconciliation in the appendix.  
 The 2020, 2021 and 2022 figures have been adjusted to reflect the expense reclassification discussed in our Annual Report on Form 10-K for the period ended December 31, 2023.

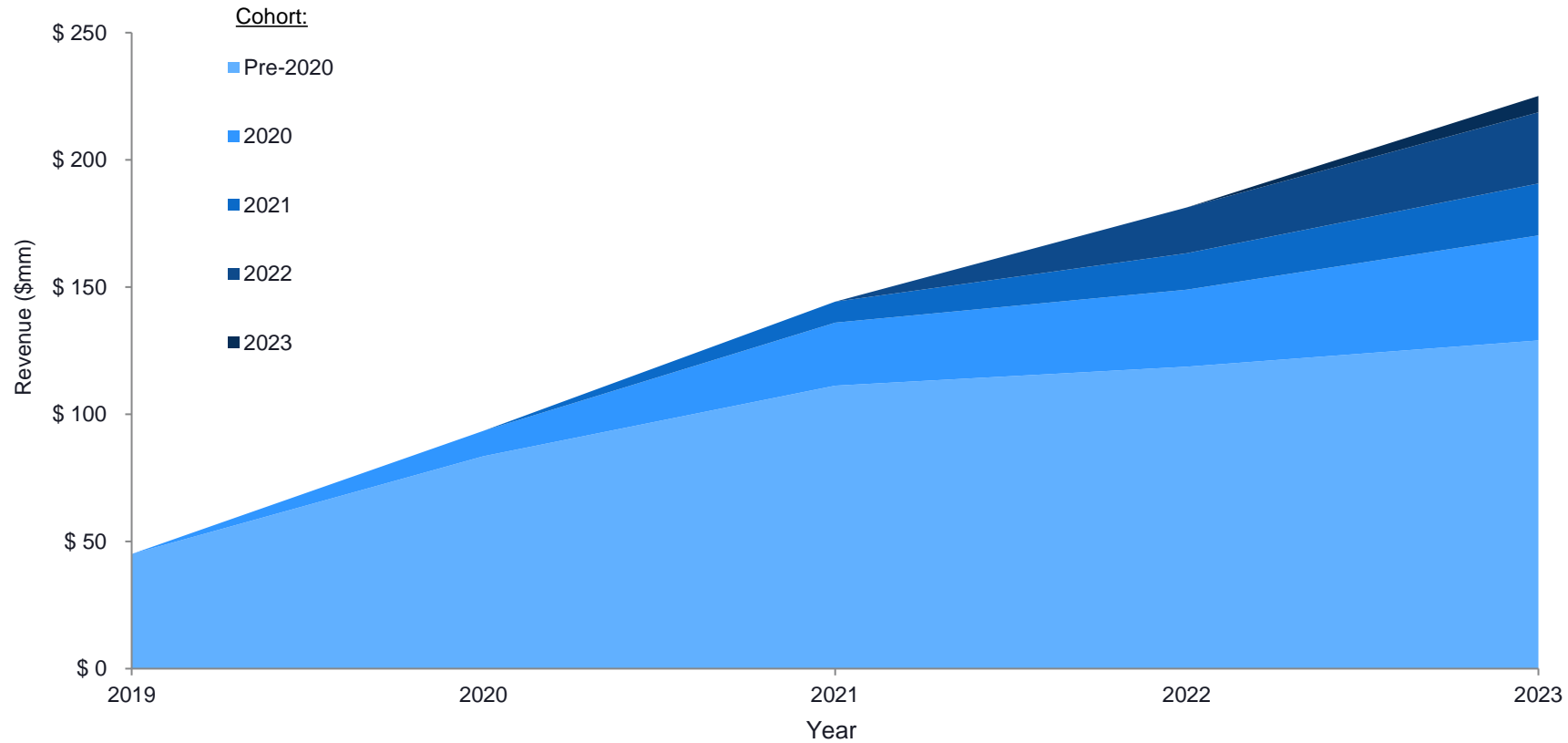
# Operating Income\*



*In millions.*

*\*Operating Income represents a non-GAAP financial measure. Please see the explanation of non-GAAP measures as well as the non-GAAP reconciliation in the appendix.*

# History of Growing with Our Restaurant Brands



As of 12/31/2023. The chart above illustrates the total revenue generated within a given cohort over the years presented. All brands from which we received revenue for the first time at any time prior to January 1, 2019 are grouped as a single cohort. Each other cohort represents brands from which we received revenue for the first time in a given fiscal year. For example, the fiscal year 2019 cohort represents all brands who earned revenue for the first time at any point between January 1, 2019 and December 31, 2019. We have seen significant expansion across all of our cohorts, even from brands that have been customers prior to 2019.



# Financial Outlook

<i>(in millions)</i>	<b>1Q24</b>	<b>FY24</b>
Revenue	\$64.0M - \$64.5M	\$269.0M - \$272.0M
Non-GAAP Operating Income*	\$5.1M - \$5.5M	\$22.0M - \$24.0M



\*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.



# Appendix

# Non-GAAP Financial Measures

*In addition to our financial statements, which are prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), this Presentation presents 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), our operating leverage which is measured using non-GAAP operating expenses (total and each line item, and total 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), and non-GAAP net income (and on a per share basis). Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.*

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## Key Performance Indicators

*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 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 one or more of our modules in, or at the end of, 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 believe that 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.*



# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages and share and per share amounts)

	Three Months Ended December 31		Year Ended December 31	
	2023	2022	2023	2022
<b>Gross profit and gross margin reconciliation <sup>(1)</sup> :</b>				
Platform gross profit, GAAP	\$ 36,286	\$ 34,639	\$ 139,984	\$ 128,659
Plus: Stock-based compensation expense and related payroll tax expense	1,712	1,197	7,079	5,583
Plus: Capitalized internal-use software and intangible amortization	2,532	1,226	8,351	3,954
Plus: Certain severance costs	—	160	—	177
Platform gross profit, non-GAAP	40,530	37,222	155,414	138,373
Services gross profit, GAAP	152	(343)	(1,018)	(1,721)
Plus: Stock-based compensation expense and related payroll tax expense	148	67	699	685
Plus: Certain severance costs	—	140	—	176
Services gross profit, Non-GAAP	300	(136)	(319)	(860)
Total gross profit, GAAP	36,438	34,296	138,966	126,938
Total gross profit, non-GAAP	40,830	37,086	155,095	137,513
Platform gross margin, GAAP	59 %	71 %	62 %	71 %
Platform gross margin, non-GAAP	65 %	76 %	69 %	76 %
Services gross margin, GAAP	14 %	(40)%	(33)%	(42)%
Services gross margin, non-GAAP	28 %	(16)%	(10)%	(21)%
Total gross margin, GAAP	58 %	69 %	61 %	68 %
Total gross margin, non-GAAP	65 %	74 %	68 %	74 %

(1) Effective January 1, 2023, we began allocating certain employee-related costs to platform cost of revenues, professional services and other cost of revenues, sales and marketing, and research and development expenses. Previously, such costs had been presented within general and administrative expenses on our condensed consolidated statement of operations. These costs are allocated based on each department's proportionate share of total employee headcount. We determined that these changes would better reflect industry practice and provide more meaningful information as well as increased transparency of our operations. Prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no effect on previously reported operating loss, net loss, or accumulated deficit.

# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages and share and per share amounts)

	Three Months Ended December 31.		Year Ended December 31.	
	2023	2022	2023	2022
<b>Sales and marketing reconciliation <sup>(1)</sup> :</b>				
Sales and marketing, GAAP	\$ 11,752	\$ 8,819	\$ 48,190	\$ 34,043
Less: Stock-based compensation expense and related payroll tax expense	1,675	1,235	7,981	5,625
Less: Intangible amortization	341	341	1,365	1,338
Less: Certain severance costs	—	204	121	316
Less: Transaction costs	—	—	—	79
Sales and marketing, non-GAAP	9,736	7,039	38,723	26,685
Sales and marketing as % total revenue, GAAP	19 %	18 %	21 %	18 %
Sales and marketing as % total revenue, non-GAAP	15 %	14 %	17 %	14 %

	Three Months Ended December 31.		Year Ended December 31.	
	2023	2022	2023	2022
<b>Research and development reconciliation <sup>(1)</sup> :</b>				
Research and development, GAAP	\$ 17,108	\$ 20,080	\$ 73,914	\$ 74,203
Less: Stock-based compensation expense and related payroll tax expense	3,378	3,704	15,648	14,318
Less: Non-cash capitalized software impairment	—	—	—	475
Less: Certain severance costs	—	260	—	332
Research and development, non-GAAP	13,730	16,116	58,266	59,078
Research and development as % total revenue, GAAP	27 %	40 %	32 %	40 %
Research and development as % total revenue, non-GAAP	22 %	32 %	26 %	32 %

(1) Effective January 1, 2023, we began allocating certain employee-related costs to platform cost of revenues, professional services and other cost of revenues, sales and marketing, and research and development expenses. Previously, such costs had been presented within general and administrative expenses on our condensed consolidated statement of operations. These costs are allocated based on each department's proportionate share of total employee headcount. We determined that these changes would better reflect industry practice and provide more meaningful information as well as increased transparency of our operations. Prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no effect on previously reported operating loss, net loss, or accumulated deficit.

# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages and share and per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>General and administrative reconciliation <sup>(1)</sup> :</b>				
General and administrative, GAAP	\$ 28,112	\$ 16,309	\$ 85,098	\$ 70,356
Less: Stock-based compensation expense and related payroll tax expense	4,749	4,838	21,259	20,654
Less: Charitable donation of Class A common stock	—	—	1,136	1,406
Less: Certain litigation-related expenses	12,787	—	21,590	—
Less: Costs and impairment charge associated with sublease of former corporate headquarters	—	—	—	3,272
Less: Loss on disposal of assets	—	—	38	—
Less: Intangible amortization	40	41	162	154
Less: Certain severance costs	—	417	709	1,358
Less: Transaction costs	—	133	358	1,521
General and administrative, non-GAAP	10,536	10,880	39,846	41,991
General and administrative as % total revenue, GAAP	45 %	33 %	37 %	38 %
General and administrative as % total revenue, non-GAAP	17 %	22 %	17 %	23 %

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Operating loss reconciliation:</b>				
Operating loss, GAAP	\$ (20,534)	\$ (10,912)	\$ (75,084)	\$ (51,664)
Plus: Stock-based compensation expense and related payroll tax expense	11,662	11,041	52,666	46,865
Plus: Charitable donation of Class A common stock	—	—	1,136	1,406
Plus: Certain litigation-related expenses	12,787	—	21,590	—
Plus: Costs and impairment charge associated with sublease of former corporate headquarters	—	—	—	3,272
Plus: Loss on disposal of assets	—	—	38	—
Plus: Non-cash capitalized software impairment	—	—	—	475
Plus: Capitalized internal-use software and intangible amortization	2,913	1,608	9,878	5,446
Plus: Restructuring charges	—	—	6,848	—
Plus: Certain severance costs	—	1,181	830	2,359
Plus: Transaction costs	—	133	358	1,600
Operating income, non-GAAP	6,828	3,051	18,260	9,759
Operating margin, GAAP	(33)%	(22)%	(33)%	(28)%
Operating margin, non-GAAP	11 %	6 %	8 %	5 %

(1) Effective January 1, 2023, we began allocating certain employee-related costs to platform cost of revenues, professional services and other cost of revenues, sales and marketing, and research and development expenses. Previously, such costs had been presented within general and administrative expenses on our condensed consolidated statement of operations. These costs are allocated based on each department's proportionate share of total employee headcount. We determined that these changes would better reflect industry practice and provide more meaningful information as well as increased transparency of our operations. Prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no effect on previously reported operating loss, net loss, or accumulated deficit.

# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages and share and per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
<b>Net loss reconciliation:</b>				
Net loss, GAAP	(15,746)	(8,226)	(58,287)	(45,968)
Plus: Stock-based compensation expense and related payroll tax expense	11,662	11,041	52,666	46,865
Plus: Charitable donation of Class A common stock	—	—	1,136	1,406
Plus: Certain litigation-related expenses	12,787	—	21,590	—
Plus: Costs and impairment charge associated with sublease of former corporate headquarters	—	—	—	3,272
Plus: Loss on disposal of assets	—	—	38	—
Plus: Non-cash capitalized software impairment	—	—	—	475
Plus: Capitalized internal-use software and intangible amortization	2,913	1,608	9,878	5,446
Plus: Restructuring charges	—	—	6,848	—
Plus: Certain severance costs	—	1,181	830	2,359
Plus: Transaction costs	—	133	358	1,600
Less: GAAP acquisition-related deferred income tax benefit <sup>(1)</sup>	—	(98)	—	(1,519)
Less: Tax impact of non-GAAP adjustments <sup>(2)</sup>	(3,159)	(1,208)	(9,275)	(3,486)
Net income, non-GAAP	8,457	4,431	25,782	10,450
Fully diluted net loss per share attributable to Class A and Class B common stockholders, GAAP	\$ (0.10)	\$ (0.05)	\$ (0.36)	\$ (0.28)
Fully diluted weighted average Class A and Class B common shares outstanding, GAAP	163,942,779	163,207,461	162,993,686	161,303,397
Fully diluted net income per share attributable to Class A and Class B common stockholders, non-GAAP	\$ 0.05	\$ 0.02	\$ 0.15	\$ 0.06
Fully diluted Class A and Class B common shares outstanding, non-GAAP	174,399,425	179,975,869	176,822,053	182,950,753

(1) Effective January 1, 2023, we began allocating certain employee-related costs to platform cost of revenues, professional services and other cost of revenues, sales and marketing, and research and development expenses. Previously, such costs had been presented within general and administrative expenses on our condensed consolidated statement of operations. These costs are allocated based on each department's proportionate share of total employee headcount. We determined that these changes would better reflect industry practice and provide more meaningful information as well as increased transparency of our operations. Prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no effect on previously reported operating loss, net loss, or accumulated deficit.

(2) We utilized a federal rate plus a net state rate that excluded the impact of NOLs and valuation allowances to calculate our non-GAAP blended statutory rate of 26.93% and 26.27% for the years ended December 31, 2023 and 2022, respectively.

# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages)

	Year Ended December 31,		
	2022	2021	2020
<b>Gross profit and gross margin reconciliation <sup>(1)</sup>:</b>			
Platform gross profit, GAAP	\$ 128,659	\$ 118,403	\$ 78,194
Plus: Stock-based compensation expense and related payroll tax expense	5,583	2,706	556
Plus: Capitalized internal-use software and intangible amortization	3,954	579	316
Plus: Certain severance costs	177	—	—
Plus: Transaction costs	—	9	—
Platform gross profit, non-GAAP	138,373	121,697	79,066
Services gross profit, GAAP	(1,721)	(408)	1,236
Plus: Stock-based compensation expense and related payroll tax expense	685	474	124
Plus: Certain severance costs	176	—	—
Plus: Transaction costs	—	45	—
Services gross profit, Non-GAAP	(860)	111	1,360
Total gross profit, GAAP	126,938	117,995	79,430
Total gross profit, non-GAAP	137,513	121,808	80,426
Platform gross margin, GAAP	71 %	82 %	84 %
Platform gross margin, non-GAAP	76 %	84 %	85 %
Services gross margin, GAAP	(42)%	(8)%	22 %
Services gross margin, non-GAAP	(21)%	2 %	24 %
Total gross margin, GAAP	68 %	79 %	81 %
Total gross margin, non-GAAP	74 %	82 %	82 %
<b>Sales and marketing reconciliation <sup>(1)</sup>:</b>			
Sales and marketing, GAAP	34,043	18,205	8,685
Less: Stock-based compensation expense and related payroll tax expense	5,625	2,151	376
Less: Intangible amortization	1,338	—	—
Less: Certain severance costs	316	—	—
Less: Transaction costs	79	433	—
Sales and marketing, non-GAAP	26,685	15,621	8,309
Sales and marketing as % total revenue, GAAP	18 %	12 %	9 %
Sales and marketing as % total revenue, non-GAAP	14 %	10 %	8 %
<b>Research and development reconciliation <sup>(1)</sup>:</b>			
Research and development, GAAP	74,203	59,730	33,589
Less: Stock-based compensation expense and related payroll tax expense	14,318	11,677	1,497
Less: Non-cash capitalized software impairment	475	—	—
Less: Certain severance costs	332	—	—
Less: Transaction costs	—	425	—
Research and development, non-GAAP	59,078	47,628	32,092
Research and development as % total revenue, GAAP	40 %	40 %	34 %
Research and development as % total revenue, non-GAAP	32 %	32 %	33 %
<b>General and administrative reconciliation <sup>(1)</sup>:</b>			
General and administrative, GAAP	70,356	68,036	21,061
Less: Stock-based compensation expense and related payroll tax expense	20,654	17,261	2,827
Less: Charitable donation of Class A common stock	1,406	13,107	—
Less: Costs and impairment charge associated with sublease of former corporate headquarters	3,272	—	—
Less: Intangible amortization	154	—	—
Less: Certain severance costs	1,358	—	—
Less: Transaction costs	1,521	1,922	—
General and administrative, non-GAAP	41,991	35,745	18,234
General and administrative as % total revenue, GAAP	38 %	46 %	21 %
General and administrative as % total revenue, non-GAAP	23 %	24 %	19 %

(1) Effective January 1, 2023, we began allocating certain employee-related costs to platform cost of revenues, professional services and other cost of revenues, sales and marketing, and research and development expenses. Previously, such costs had been presented within general and administrative expenses on our condensed consolidated statement of operations. These costs are allocated based on each department's proportionate share of total employee headcount. We determined that these changes would better reflect industry practice and provide more meaningful information as well as increased transparency of our operations. Prior period amounts have been reclassified to conform with the current year presentation. Such reclassifications had no effect on previously reported operating loss, net loss, or accumulated deficit.

# Appendix: Non-GAAP Reconciliation

(in thousands, except for percentages)

	Year Ended December 31,		
	2022	2021	2020
<b>Operating income (loss) reconciliation:</b>			
Operating (loss) income, GAAP	\$ (51,664)	\$ (27,976)	\$ 16,095
Plus: Stock-based compensation expense and related payroll tax expense	46,865	34,269	5,380
Plus: Charitable donation of Class A common stock	1,406	13,107	—
Plus: Costs and impairment charge associated with sublease of former corporate headquarters	3,272	—	—
Plus: Non-cash capitalized software impairment	475	—	—
Plus: Capitalized internal-use software and intangible amortization	5,446	579	316
Plus: Certain severance costs	2,359	—	—
Plus: Transaction costs	1,600	2,834	—
Operating income, non-GAAP	9,759	22,813	21,791
Operating margin, GAAP	(28)%	(19)%	16 %
Operating margin, non-GAAP	5 %	15 %	22 %

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