

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2024

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-40213



Olo Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

20-2971562

(I.R.S. Employer Identification Number)

285 Fulton Street
One World Trade Center, 82nd Floor
New York, NY 10007
(Address of principal executive offices) (Zip Code)

(212) 260-0895
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	OLO	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 4, 2024, 111,678,544 shares of the registrant's Class A common stock and 51,991,185 shares of registrant's Class B common stock were outstanding.

OLO INC.
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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains express or implied forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations or financial condition, business strategy, and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "forecast," "if," "intend," "likely," "may," "plan," "potential," "predict," "project," "seek," "should," "target," "will," or "would" or the negative of these words or other similar terms or expressions.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions. Actual results may differ materially from the forward-looking statements we make. Factors that may cause or contribute to such differences include, but are not limited to:

- our expectations regarding our revenue, expenses, and other operating results, including overall transaction volumes, average revenue per unit, active locations, dollar-based net revenue retention, gross merchandise volume, and gross payment volume;
 - our ability to acquire new customers and successfully retain existing customers;
 - our ability to develop and release new products and services and the success of any new products, including the continued growth of Olo Pay;
 - our ability to develop and release successful enhancements, features, and modifications to our existing products and services;
 - our ability to increase usage of our platform and upsell and cross sell additional modules, including to our emerging enterprise customers;
 - our ability to attain or sustain our profitability;
 - future investments in our business, our anticipated capital expenditures, and our estimates regarding our capital requirements;
 - our ability to compete effectively with existing competitors and new market entrants;
 - our ability to repurchase shares at all or at the times or in the amounts we desire, and the results of our share repurchase program;
 - the costs and success of our sales and marketing efforts, and our ability to promote our brand;
 - 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;
 - our ability to successfully combine and integrate the businesses that we acquire, and to realize the synergies and anticipated strategic, financial, and other benefits from such acquisitions;
 - the effects of geopolitical instability, public health crises, macroeconomic conditions such as inflation and fluctuating interest rates, shifts in consumer preferences, and overall market uncertainty;
 - our ability to successfully defend or resolve any current or future litigation matters, and to discharge those matters without significant financial penalty or payments, restrictions on our business and operations, or other remedies; and
 - other risks and uncertainties, including those listed in the section entitled "Risk Factors."
-

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that the information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information.

The outcome of the events described in these forward-looking statements is subject to risks, assumptions, uncertainties, and other factors described elsewhere in this Quarterly Report on Form 10-Q and those listed in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2023 and in our subsequent Quarterly Reports on Form 10-Q. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events, and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements.

Unless the context otherwise indicates, references in this report to the terms “Olo,” “the Company,” “we,” “our,” and “us” refer to Olo Inc.

“Olo” and other trade names and trademarks of ours appearing in this Quarterly Report on Form 10-Q are our property. This Quarterly Report on Form 10-Q contains trade names and trademarks of other companies, which are the property of their respective owners. We do not intend our use or display of other companies’ trade names or trademarks to imply an endorsement or sponsorship of us by such companies, or any relationship with any of these companies.

PART I - FINANCIAL INFORMATION
Item 1. Financial Statements.
OLO INC.
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share amounts)

	As of September 30, 2024	As of December 31, 2023
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
Commitments and contingencies (Note 10)		
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.	163	163
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		
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

The accompanying notes are an integral part of these financial statements.

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 (Note 12)	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

The accompanying notes are an integral part of these financial statements.

OLO INC.**Condensed Consolidated Statements of Comprehensive (Loss) Income (Unaudited)**
(in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net loss	\$ (3,635)	\$ (11,759)	\$ (262)	\$ (42,541)
Other comprehensive income (loss):				
Unrealized gain (loss) on investments	539	57	393	(151)
Total other comprehensive income (loss)	539	57	393	(151)
Comprehensive (loss) income	\$ (3,096)	\$ (11,702)	\$ 131	\$ (42,692)

The accompanying notes are an integral part of these financial statements.

OLO INC.
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
(in thousands, except share data)

	Class A and Class B Common Stock		Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2023	163,361,513	\$ 163	\$ 867,152	\$ (215,829)	\$ (15)	\$ 651,471
Issuance of common stock on exercise of stock options	469,841	1	1,144	—	—	1,145
Vesting of restricted and performance-based restricted stock units	812,602	1	(1)	—	—	—
Repurchase of common stock	(2,799,891)	(3)	(15,287)	—	—	(15,290)
Stock-based compensation	—	—	11,602	—	—	11,602
Other comprehensive loss	—	—	—	—	(129)	(129)
Net loss	—	—	—	(2,356)	—	(2,356)
Balance as of March 31, 2024	161,844,065	\$ 162	\$ 864,610	\$ (218,185)	\$ (144)	\$ 646,443
Issuance of common stock under the Employee Stock Purchase Plan	262,237	—	1,016	—	—	1,016
Issuance of common stock on exercise of stock options	330,894	—	727	—	—	727
Vesting of restricted and performance-based restricted stock units	970,715	1	(1)	—	—	—
Repurchase of common stock	(1,374,108)	(1)	(6,890)	—	—	(6,891)
Stock-based compensation	—	—	11,271	—	—	11,271
Other comprehensive loss	—	—	—	—	(17)	(17)
Net income	—	—	—	5,729	—	5,729
Balance as of June 30, 2024	162,033,803	\$ 162	\$ 870,733	\$ (212,456)	\$ (161)	\$ 658,278
Issuance of common stock on exercise of stock options	320,972	—	721	—	—	721
Vesting of restricted and performance-based restricted stock units	914,501	1	(1)	—	—	—
Stock-based compensation	—	—	11,008	—	—	11,008
Other comprehensive income	—	—	—	—	539	539
Net loss	—	—	—	(3,635)	—	(3,635)
Balance as of September 30, 2024	163,269,276	\$ 163	\$ 882,461	\$ (216,091)	\$ 378	\$ 666,911

OLO INC.
Condensed Consolidated Statements of Stockholders' Equity (Unaudited)
(in thousands, except share data)

	Class A and Class B Common Stock		Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount				
Balance as of December 31, 2022	162,444,717	\$ 162	\$ 855,249	\$ (157,542)	\$ (253)	\$ 697,616
Issuance of common stock on exercise of stock options	1,055,108	1	2,364	—	—	2,365
Vesting of restricted stock units	802,576	1	(1)	—	—	—
Repurchase of common stock	(2,652,372)	(2)	(20,050)	—	—	(20,052)
Stock-based compensation	—	—	15,127	—	—	15,127
Other comprehensive income	—	—	—	—	197	197
Net loss	—	—	—	(13,706)	—	(13,706)
Balance as of March 31, 2023	161,650,029	\$ 162	\$ 852,689	\$ (171,248)	\$ (56)	\$ 681,547
Issuance of common stock under the Employee Stock Purchase Plan	253,973	—	1,463	—	—	1,463
Issuance of common stock on exercise of stock options	1,528,955	1	3,097	—	—	3,098
Vesting of restricted stock units	1,006,863	1	(1)	—	—	—
Repurchase of common stock	(1,409,420)	(1)	(10,046)	—	—	(10,047)
Stock-based compensation	—	—	15,278	—	—	15,278
Other comprehensive loss	—	—	—	—	(405)	(405)
Net loss	—	—	—	(17,076)	—	(17,076)
Balance as of June 30, 2023	163,030,400	\$ 163	\$ 862,480	\$ (188,324)	\$ (461)	\$ 673,858
Issuance of common stock in connection with charitable donation	172,918	—	1,136	—	—	1,136
Issuance of common stock on exercise of stock options	2,621,027	3	3,376	—	—	3,379
Vesting of restricted stock units	939,671	1	(1)	—	—	—
Repurchase of common stock	(2,014,202)	(2)	(13,033)	—	—	(13,035)
Stock-based compensation	—	—	13,763	—	—	13,763
Other comprehensive income	—	—	—	—	57	57
Net loss	—	—	—	(11,759)	—	(11,759)
Balance as of September 30, 2023	164,749,814	\$ 165	\$ 867,721	\$ (200,083)	\$ (404)	\$ 667,399

The accompanying notes are an integral part of these financial statements.

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
Supplemental disclosure of non-cash investing and financing activities		
Vesting of early exercised stock options	\$ —	\$ 97
Employee receivables for options exercised	\$ 5	\$ —
Capitalization of stock-based compensation for internal-use software	\$ 2,128	\$ 2,827

The accompanying notes are an integral part of these financial statements.

OLO INC.**Notes to the Condensed Consolidated Financial Statements
(Unaudited)****1. Business**

Olo Inc. was formed on June 1, 2005 in Delaware and is headquartered in New York City. On January 14, 2020, our Board of Directors and stockholders approved our name change from Mobo Systems, Inc. to Olo Inc. Unless the context otherwise indicates or requires, references to “we,” “us,” “our,” and “the Company” shall refer to Olo Inc.

We are an open SaaS platform for restaurants. Our platform powers restaurant brands’ on-demand digital commerce operations, enabling digital ordering, delivery, front-of-house management, and payments, while further strengthening and enhancing restaurants’ direct guest relationships. We provide restaurants with a business-to-business-to-guest, enterprise-grade, open SaaS platform to manage their complex digital businesses and enable fast and more personalized experiences for their guests. Our platform and application programming interfaces seamlessly integrate with a wide range of solutions, unifying disparate technologies across the restaurant ecosystem. Restaurant brands rely on us to increase their digital omni-channel sales, maximize profitability, establish and maintain direct guest relationships, and collect, protect, and leverage valuable guest data.

2. Significant Accounting Policies***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) for interim financial information and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). Accordingly, certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to such rules and regulations. The December 31, 2023 condensed consolidated balance sheet was derived from the audited financial statements as of that date, but may not include all disclosures including certain footnotes required by U.S. GAAP on an annual reporting basis.

These unaudited condensed consolidated financial statements have been prepared on a basis consistent with our annual financial statements and, in the opinion of management, reflect all adjustments, which include all normal recurring adjustments necessary to fairly state our financial position as of September 30, 2024, our results of operations and comprehensive (loss) income for the three and nine months ended September 30, 2024 and 2023 and our cash flows for the nine months ended September 30, 2024 and 2023, respectively. The results of operations for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2024 or for any other future annual or interim period.

The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K filed with the SEC on February 21, 2024. All intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

We regularly assess these estimates, including but not limited to, stock-based compensation including the determination of the fair value of our stock-based awards, realization of deferred tax assets, estimated life of our long-lived assets, purchase price allocations for business combinations, valuation of the acquired intangibles purchased in a business combination, valuation of goodwill, estimated standalone selling price of our performance obligations, and estimated consideration for implementation services and transactional revenue in certain arrangements. We base these estimates on historical experience and on various other market-specific and relevant assumptions that we believe to be reasonable under the circumstances. Actual results could differ from these estimates and such differences could be material to our financial position and results of operations.

OLO INC.

Notes to the Condensed Consolidated Financial Statements
(Unaudited)**Significant Accounting Policies**

Our significant accounting policies are outlined in Note 2, “Significant Accounting Policies” in the Notes to Consolidated Financial Statements included in Part II, Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2023. During the nine months ended September 30, 2024, there were no material changes to our significant accounting policies from those described in our Annual Report on Form 10-K for the year ended December 31, 2023.

Concentrations of Business and Credit Risk

We are exposed to concentrations of credit risk primarily through our cash, cash equivalents, and short- and long-term investments held by financial institutions. We primarily deposit our cash, cash equivalents, and investments with financial institutions that management believes are of high credit quality and the amounts on deposit may exceed federally insured limits at various times. We have not experienced any significant losses in such accounts and believe we are not exposed to any significant risk. For the three and nine months ended September 30, 2024, no individual customer accounted for more than 10% of our revenue. For each of the three and nine months ended September 30, 2023, one customer accounted for 12% of our revenue.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires public entities to disclose information about their reportable segments’ significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in Accounting Standards Codification (“ASC”) 280 on an interim and annual basis. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. Adoption of the ASU should be applied retrospectively to all prior periods presented in the financial statements. We are currently evaluating the impact of adopting ASU 2023-07 and expect to adopt for the year ending December 31, 2024.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact that adopting ASU 2023-09 will have on our consolidated financial statements and disclosures.

3. Revenue Recognition

The following table disaggregates revenue by type (in thousands):

	Three Months Ended September 30, 2024		
	Platform	Professional Services and Other	Total
Timing of revenue recognition			
Transferred over time	\$ 27,625	\$ 854	\$ 28,479
Transferred at a point in time	43,374	—	43,374
Total revenue	\$ 70,999	\$ 854	\$ 71,853

OLO INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

	Three Months Ended September 30, 2023		
	Platform	Professional Services and Other	Total
Timing of revenue recognition			
Transferred over time	\$ 25,158	\$ 533	\$ 25,691
Transferred at a point in time	32,103	—	32,103
Total revenue	<u>\$ 57,261</u>	<u>\$ 533</u>	<u>\$ 57,794</u>

	Nine Months Ended September 30, 2024		
	Platform	Professional Services and Other	Total
Timing of revenue recognition			
Transferred over time	\$ 81,328	\$ 2,504	\$ 83,832
Transferred at a point in time	125,036	—	125,036
Total revenue	<u>\$ 206,364</u>	<u>\$ 2,504</u>	<u>\$ 208,868</u>

	Nine Months Ended September 30, 2023		
	Platform	Professional Services and Other	Total
Timing of revenue recognition			
Transferred over time	\$ 74,518	\$ 2,050	\$ 76,568
Transferred at a point in time	88,717	—	88,717
Total revenue	<u>\$ 163,235</u>	<u>\$ 2,050</u>	<u>\$ 165,285</u>

Contract Balances
Contract Assets

Professional services revenue is generally recognized ratably over the implementation period, beginning on the commencement date of each contract. Platform revenue is recognized as the services are delivered. Under ASC Topic 606, we record a contract asset when revenue recognized on a contract exceeds the billings. Our standard billing terms are monthly; however, the billings may not be consistent with the pattern of recognition, based on when services are performed. Contract assets were \$1.7 million and \$0.8 million as of September 30, 2024 and December 31, 2023, respectively.

Unearned Revenue

Unearned revenue primarily consists of billings or payments received in advance of revenue recognition from subscription services and is recognized as revenue when transfer of control to customers has occurred. During the nine months ended September 30, 2024, we recognized \$1.4 million of revenue related to contracts that were included in unearned revenue at December 31, 2023.

As of September 30, 2024, our remaining performance obligations were approximately \$40.4 million, approximately 49% of which we expect to recognize as revenue over the next twelve months, and substantially all of the remaining revenue will be recognized thereafter over the next 24 to 48 months. These amounts only include contracts subject to a guaranteed fixed amount or the guaranteed minimum under variable contracts. Unrecognized revenue under contracts disclosed above do not include: (1) contracts with an original expected term of one year or less; (2) contracts for which variable consideration is determined based on the customer's subsequent sale or usage; or (3) agreements for which our right to invoice corresponds with the value provided to the customer.

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Deferred Contract Costs

We capitalize the incremental costs of obtaining a revenue contract, including sales commissions for new and renewal revenue contracts, certain related incentives, and associated payroll tax and fringe benefit costs. Capitalized amounts are recoverable through future revenue streams under customer contracts.

The following table summarizes the activity of current and non-current deferred contract costs (in thousands):

Balance at December 31, 2023	\$	10,549
Capitalization of deferred contract costs		6,439
Amortization of deferred contract costs		(5,728)
Balance at September 30, 2024	\$	<u>11,260</u>

4. Fair Value Measurement

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. We apply the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement:

Level 1 inputs: Based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 inputs: Based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 inputs: Based on unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability.

The following tables present the costs, net unrealized losses, and fair value by major security type for our investments as of September 30, 2024 and December 31, 2023 (in thousands):

	As of September 30, 2024					
	Cost	Net Unrealized Gains	Fair Value	Cash and Cash equivalents	Short-term Investments	Long-term Investments
Cash	\$ 128,812	\$ —	\$ 128,812	\$ 128,812	\$ —	\$ —
Level 1:						
Money market funds	142,159	—	142,159	142,159	—	—
Commercial paper	7,721	16	7,737	—	7,737	—
Subtotal	149,880	16	149,896	142,159	7,737	—
Level 2:						
Certificates of deposit	24,431	34	24,465	1,209	23,256	—
U.S. Government and agency securities	47,968	191	48,159	—	25,568	22,591
Corporate bonds	40,384	137	40,521	—	20,972	19,549
Subtotal	112,783	362	113,145	1,209	69,796	42,140
Level 3:	—	—	—	—	—	—
Total	\$ 391,475	\$ 378	\$ 391,853	\$ 272,180	\$ 77,533	\$ 42,140

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	As of December 31, 2023					
	Cost	Net Unrealized Gains (Losses)	Fair Value	Cash and Cash equivalents	Short-term Investments	Long-term Investments
Cash	\$ 130,566	\$ —	\$ 130,566	\$ 130,566	\$ —	\$ —
Level 1:						
Money market funds	147,652	—	147,652	147,652	—	—
Commercial paper	16,408	11	16,419	—	16,419	—
Subtotal	164,060	11	164,071	147,652	16,419	—
Level 2:						
Certificates of deposit	15,366	21	15,387	—	15,387	—
U.S. Government and agency securities	49,393	(73)	49,320	—	33,198	16,122
Corporate bonds	28,927	26	28,953	—	19,327	9,626
Subtotal	93,686	(26)	93,660	—	67,912	25,748
Level 3:	—	—	—	—	—	—
Total	\$ 388,312	\$ (15)	\$ 388,297	\$ 278,218	\$ 84,331	\$ 25,748

Our assets measured at fair value on a nonrecurring basis include long-lived assets and finite-lived intangibles, which are considered to be Level 3 inputs. During the nine months ended September 30, 2024, we recorded a non-cash impairment charge of \$0.5 million related to a portion of our internal-use software that was non-recoverable. This amount was recorded in research and development expenses within the condensed consolidated statement of operations. In addition, during the nine months ended September 30, 2024, we recorded a non-cash impairment charge of \$0.6 million related to our operating lease right-of-use assets, as we committed in June 2024 to our plan to abandon our prior office space, and we relocated our corporate headquarters back to One World Trade Center in July 2024. This amount was recorded in general and administrative expenses within the condensed consolidated statement of operations.

Accounts receivable, accounts payable, and accrued expenses are stated at their carrying value, which approximates fair value due to the short time to the expected receipt or payment date.

5. Accrued Expenses and Other Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of September 30, 2024	As of December 31, 2023
Accrued delivery service partner fees	\$ 33,036	\$ 39,964
Accrued compensation and benefits	10,166	9,148
Accrued legal settlements ⁽¹⁾	—	9,000
Professional and consulting fees	1,100	3,866
Sublease liability	—	2,032
Accrued taxes	1,027	1,068
Other	2,765	3,162
Total accrued expenses and other current liabilities	\$ 48,094	\$ 68,240

(1) See “Note 10—Commitments and Contingencies” for details.

6. Line of Credit

On June 10, 2022, we entered into the Second Amended and Restated Loan and Security Agreement with Pacific Western Bank (now known as Banc of California) related to a revolving credit and term loan facility (the “Second Amended and Restated LSA”).

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The Second Amended and Restated LSA includes a financial covenant requiring compliance with certain minimum revenue amounts. In addition, the Second Amended and Restated LSA contains representations and warranties generally consistent with the Amended and Restated Loan and Security Agreement, dated February 11, 2020, as amended (the “Prior LSA”), as well as certain non-financial covenants, including, but not limited to, limitations on our ability to incur additional indebtedness or liens, pay dividends, or make certain investments. We were in compliance with these covenants as of September 30, 2024.

As of September 30, 2024, we had \$68.6 million of commitments available under the Second Amended and Restated LSA, after consideration of \$1.4 million in our letter of credit on the lease of our corporate headquarters at One World Trade Center. As of September 30, 2024, we had no outstanding borrowings under the line of credit, and no amounts have been drawn against any of our letters of credit.

In April 2024, we further amended the Second Amended and Restated LSA (the “Second Amendment”) with Banc of California (formerly known as Pacific Western Bank) to set compliance thresholds for 2024. The Second Amendment did not change any other financial or non-financial covenants, and we remained in compliance with all required covenants upon execution of the Second Amendment. The foregoing description of the material terms of the Second Amendment does not purport to be complete and is subject to, and is qualified in its entirety by, reference to the full terms of the Second Amendment, filed herewith.

7. Stockholders’ Equity

Repurchases of Common Stock

On September 7, 2022, our Board of Directors authorized a program to repurchase up to \$100 million of our Class A common stock (the “Stock Buyback Program”). We completed this Stock Buyback Program in the second quarter of 2024.

On April 30, 2024, the Board of Directors authorized a program to repurchase up to \$100 million of our Class A common stock (the “2024 Buyback Program”). Under the 2024 Buyback Program, we may repurchase shares of our Class A common stock from time to time on a discretionary basis through open market repurchases, privately negotiated transactions, block purchases, or other means, and such repurchases will be structured to occur in compliance with applicable securities laws. The timing and actual number of shares repurchased, if any, will be determined by the Board of Directors or a committee established by the Board of Directors, depending on a variety of factors, including the Class A common stock price, trading volume, market conditions, our cash flow and liquidity profile, the capital needs of the business, and other considerations. We expect to fund repurchases with existing cash on hand. The 2024 Buyback Program has no expiration date and may be modified, suspended, or terminated at any time by the Board of Directors at its discretion.

In addition, open market repurchases of common stock could be made pursuant to our trading plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), which would permit us to repurchase common stock at a time that we might otherwise be precluded from doing so under insider trading laws or self-imposed trading restrictions.

The following table summarizes the share repurchase activity of our Class A common stock under the Stock Buyback Program for the periods presented (in thousands, except share and per share amounts):

	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Value of Shares Repurchased ⁽¹⁾	Remaining Amount Authorized
Balance as of January 1, 2024			\$	22,097
Repurchases through the Stock Buyback Program for the three months ended:				
March 31, 2024	2,799,891	\$ 5.44	\$ 15,234	(15,234)
June 30, 2024	1,374,108	4.99	6,863	(6,863)
Total	4,173,999	\$ 5.29	\$ 22,097	\$ —

(1) Average price paid per share and value of shares excludes broker commission fees.

We have not made any repurchases under the 2024 Buyback Program.

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8. Stock-Based Compensation

The 2021 Equity Incentive Plan (“2021 Plan”) provides for the issuance of incentive and nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units (“RSUs”), performance-based restricted stock units (“PSUs”), and other awards, to employees, directors, consultants, and advisors. Pursuant to the evergreen provisions of the 2021 Plan, the Board of Directors approved an automatic increase of 8,168,075 additional shares of Class A common stock reserved and available for issuance under the 2021 Plan effective as of January 1, 2024.

As of September 30, 2024 and December 31, 2023 the maximum number of shares authorized for issuance to participants under the 2021 Plan was 49,257,534 and 40,556,635, respectively. As of September 30, 2024 and December 31, 2023, the number of shares available for issuance to participants under the 2021 Plan was 31,840,015 and 25,029,007, respectively.

Restricted Stock Units

The following table summarizes the activity for the unvested RSUs during the nine months ended September 30, 2024:

	RSUs	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	9,545,036	\$ 8.70
Granted	1,482,747	5.06
Vested	(2,526,117)	9.16
Forfeited and canceled	(1,482,644)	8.48
Unvested at September 30, 2024	7,019,022	\$ 7.82

The total fair value of RSUs vested during the nine months ended September 30, 2024 was \$12.7 million. Future stock-based compensation expense for unvested RSUs awarded as of September 30, 2024 was approximately \$52.1 million and is expected to be recognized over a weighted-average period of 2.45 years.

Performance-Based Restricted Stock Units

In February 2023, we made grants to executives in the form of PSUs (“2023 PSUs”) that will vest over three years based on the achievement of specified financial targets at the end of a one-year performance period, subject to the executive’s continuous service. The target number of shares underlying the 2023 PSUs was determined based on the higher of (a) the 30-trading day average price preceding the grant date or (b) the floor price as determined by the Compensation Committee of the Board of Directors for the calendar year. Based on the actual financial metrics achieved relative to the target financial metrics for the year ended December 31, 2023, the number of PSUs issued were 103.86% of the target PSUs. Accordingly, 171,701 shares vested for the nine months ended September 30, 2024 upon meeting the time-based vesting requirement. The remaining eligible shares will vest according to the time-based service requirements, subject to the applicable executive’s continued service as of each vesting date. The fair value of the 2023 PSUs is calculated based on the stock price on the date of grant.

In March 2024, we made additional PSU grants to executives (“2024 PSUs”) that will vest over approximately three years based upon achievement of either (a) certain stock price targets or (b) our target total shareholder return (“TSR”), relative to the TSR of companies in the Russell 2000 Index over the specified performance period, in each case, subject to the executive’s continuous service through the last day of the applicable performance period. Depending on achievement of the market-based metrics, the number of PSUs issued could range from 0% to 200% of the target PSUs. The fair value of the 2024 PSUs is determined using a Monte Carlo simulation model on the date of the grant.

Stock-based compensation expense is recognized over the requisite service period using either the straight-line method or the accelerated attribution method (depending on the award), and is adjusted based on actual forfeitures as necessary.

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The following table summarizes the activity for the unvested PSUs during the nine months ended September 30, 2024:

	PSUs	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2023	395,545	\$ 7.77
Granted	2,104,852	6.89
Vested	(171,701)	7.77
Forfeited and canceled	(56,968)	7.77
Unvested at September 30, 2024	<u>2,271,728</u>	<u>\$ 6.96</u>

The total fair value of PSUs vested during the nine months ended September 30, 2024 was \$0.9 million. Future stock-based compensation expense for unvested PSUs as of September 30, 2024 was approximately \$11.7 million and is expected to be recognized over a weighted-average period of 2.25 years.

Employee Stock Purchase Plan

The employee stock purchase plan (“ESPP”) current offering period began in June 2024 and ends in December 2024. Pursuant to the evergreen provisions of the ESPP, the Board of Directors approved an automatic increase of 1,084,696 additional shares of Class A common stock reserved and available for issuance under the ESPP effective as of January 1, 2024. As of September 30, 2024, a total of 6,402,450 shares are available for issuance to employees under the ESPP. For the nine months ended September 30, 2024 and 2023, we recorded approximately \$0.5 million and \$0.9 million of compensation expense associated with our ESPP, respectively.

Stock-Based Compensation Expense

The classification of stock-based compensation expense, which includes expense for stock options, RSUs, PSUs, and ESPP charges, by line item within the condensed consolidated statements of operations was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenue - platform	\$ 1,182	\$ 1,661	\$ 3,995	\$ 5,159
Cost of revenue - professional services and other	83	165	257	528
Research and development	2,779	3,628	8,458	11,730
General and administrative	5,008	5,506	14,573	16,093
Sales and marketing	1,449	1,553	4,474	6,103
Restructuring charges	—	—	—	1,728
Total stock-based compensation expense	<u>\$ 10,501</u>	<u>\$ 12,513</u>	<u>\$ 31,757</u>	<u>\$ 41,341</u>

9. Income Taxes

We recorded a provision for income taxes resulting in an effective tax rate of (136.04)% for the nine months ended September 30, 2024. We recorded a provision for income taxes resulting in an effective tax rate of (0.08)% for the nine months ended September 30, 2023. The effective tax rate for the nine months ended September 30, 2024 is driven primarily by adjustments to the full valuation allowance on our deferred tax assets, adjustments for share-based compensation, and state and local taxes. We maintain a full valuation allowance on our net federal and state deferred tax assets as we have concluded that it is more likely than not the deferred tax assets will not be realized.

We evaluated the available evidence supporting the realization of our deferred tax assets, including the amount and timing of future taxable income, and determined that it is more likely than not that our net deferred tax assets will not be realized. Due to uncertainties surrounding the realization of the deferred tax assets, we maintain a full valuation allowance against substantially all of our net deferred tax assets. When we determine that we will be able to realize some portion or all of

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our deferred tax assets, an adjustment to our valuation allowance on our deferred tax assets would have the effect of increasing net income in the period such determination is made.

We applied ASC 740, *Income Taxes*, and determined that we do not have any uncertain positions that would result in a tax reserve for each of the nine months ended September 30, 2024 and 2023. Our policy is to recognize interest and penalties related to uncertain tax positions in income tax expense. We are subject to U.S. federal tax authority and state tax authority examinations.

10. Commitments and Contingencies***Contingencies***

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. If we determine that a loss is reasonably possible, and the loss or range of loss can be estimated, we will disclose the possible loss in the notes to our financial statements. Accounting for contingencies requires us to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. Legal costs incurred in connection with loss contingencies are expensed as incurred.

On September 26, 2022, a class action lawsuit was filed in the United States District Court for the Southern District of New York asserting claims under the federal securities laws against us and certain of our executive officers. On December 21, 2022, the Court appointed a lead plaintiff and lead counsel on behalf of the class, following which the case was captioned *Steamship Trade Association of Baltimore - International Longshoremen's Association Pension Fund v. Olo Inc., et al.* (Case No.1:22-cv-08228-JSR). On August 9, 2023, lead plaintiff filed a second amended complaint asserting claims on behalf of a class composed of all persons who purchased or otherwise acquired our securities between March 17, 2021 and August 11, 2022, inclusive (the "Second Amended Complaint"). The Second Amended Complaint asserts a claim against all defendants for alleged violations of Section 10(b) of the Exchange Act and Rule 10b5 promulgated thereunder and a claim under Section 20(a) of the Exchange Act against Mr. Glass, our Chief Executive Officer, and Mr. Benevides, our Chief Financial Officer, as alleged controlling persons. The Second Amended Complaint alleges that defendants made materially false and misleading statements concerning, among other things, our business relationship with the restaurant brand Subway, our financial position, our enterprise market customers, and our publicly disclosed "active locations" counts, and that these alleged false and misleading statements caused losses and damages for members of the class. The Second Amended Complaint seeks unspecified damages, interest, costs and attorneys' fees, and other unspecified relief that the Court deems appropriate. On August 24, 2023, we filed a motion to dismiss the Second Amended Complaint. On September 26, 2023, the Court issued a summary order granting in part and denying in part our motion to dismiss, dismissing the claims in the Second Amended Complaint to the extent they are premised on misstatements about Subway, our financial prospects, and our prospects in the enterprise market, but permitting the remaining claims concerning our publicly disclosed "active locations" counts to proceed. On December 1, 2023, the Court issued an opinion confirming its September 26, 2023, order granting in part and denying in part our motion to dismiss. Also on December 1, 2023, the Court entered an order certifying a class of stockholders that purchased Olo's Class A common stock between March 17, 2021 and August 11, 2022. On January 16, 2024, the parties reached an agreement to settle the lawsuit, and lead plaintiff filed an unopposed motion for preliminary approval of the proposed class action settlement. The Court granted final approval of the settlement on June 11, 2024. In connection with the agreement, we recorded an expense of \$9.0 million during the year ended December 31, 2023 for the anticipated settlement. We maintain insurance coverage for a portion of the settlement and legal and consulting fees, but we do not record anticipated insurance proceeds until all contingencies relating to the insurance recovery have been removed, including an acknowledgment by the insurance company and our determination that recovery of the expected amount is probable. During the nine months ended September 30, 2024, we recorded \$10.6 million in recoveries under this insurance coverage, which was recorded within general and administrative expenses.

On May 4, 2023, Cashondra Floyd, an alleged Olo stockholder, derivatively and on behalf of us as a nominal defendant, filed a complaint in the U.S. District Court for the Southern District of New York against certain of our directors and officers (the "Floyd Derivative Defendants"), captioned *Floyd v. Glass, et al.* (Case No. 1:23-cv-03770). On May 25, 2023, the plaintiff voluntarily dismissed her complaint and refiled in the Court of the Chancery of the State of Delaware (C.A. No. 2023-0560-KSJM) (the "Floyd Derivative Complaint"). The Floyd Derivative Complaint alleges that, between at least August 10, 2021 and August 11, 2022, the Floyd Derivative Defendants caused, or failed to prevent, our alleged issuance of materially false and misleading statements concerning our business relationship with the restaurant brand Subway and our publicly disclosed "active locations" counts. The Floyd Derivative Complaint asserts claims for breaches of fiduciary duty, aiding and

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abetting breach of fiduciary duty, and waste of corporate assets. The Floyd Derivative Complaint seeks a judgment declaring that the plaintiff may bring the action on behalf of us in a derivative capacity; awarding us damages for the Floyd Derivative Defendants' alleged breaches of fiduciary duty, and waste of corporate assets; requiring us to reform and improve our corporate governance and internal procedures; ordering the Floyd Derivative Defendants to pay restitution to us; awarding the plaintiff her costs, fees, and expenses, including attorney's fees; and granting such other relief that the Court determines to be appropriate. On June 1, 2023, the Court granted the parties' stipulation to stay the Floyd Derivative Complaint. We are unable to predict the outcome, or the reasonably possible loss or range of loss, if any, related to this matter.

On November 16, 2023, Alexander A. Balleh and Neil Ahearne, alleged Olo stockholders, derivatively and on behalf of us as a nominal defendant, filed a complaint in the Court of the Chancery of the State of Delaware captioned *Balleh v. Glass, et al.* (C.A. No. 2023-1165-KSJM) (the "Balleh Derivative Complaint") against certain of our directors and officers (the "Balleh Derivative Defendants"). The Balleh Derivative Complaint alleges that, from approximately March 2021 through the date of the Balleh Derivative Complaint, the Balleh Derivative Defendants caused our alleged issuance of materially false and misleading statements concerning our business relationship with the restaurant brand Subway and our publicly disclosed "active locations" counts. The Balleh Derivative Complaint asserts a claim for breaches of fiduciary duty. The Balleh Derivative Complaint seeks a judgment against the Balleh Derivative Defendants in favor of us for the amount of damages sustained by us as a result of the Balleh Derivative Defendants' breaches of fiduciary duties; directing us to take all necessary actions to reform and improve our corporate governance and internal procedures to comply with applicable laws and to protect us and our shareholders from a repeat of the damaging events alleged in the Balleh Derivative Complaint; awarding us restitution from the Balleh Derivative Defendants and ordering disgorgement of all profits, benefits and other compensation obtained by the Balleh Derivative Defendants; awarding plaintiffs the costs and disbursements of the action, including reasonable attorneys' fees, accountants' and experts' fees, costs and expenses; and granting such other relief that the Court deems just and proper. We are unable to predict the outcome, or the reasonably possible loss or range of loss, if any, related to this matter.

On January 11, 2024, J. Brandon Giuda and Katrina Giuda, alleged Olo stockholders, derivatively and on behalf of us as a nominal defendant, filed a complaint in the Court of the Chancery of the State of Delaware captioned *Giuda v. Glass, et al.* (C.A. No. 2024-0025-KSJM) (the "Giuda Derivative Complaint") against certain of our directors and officers (the "Giuda Derivative Defendants"). The Giuda Derivative Complaint alleges that, from at least March 2021, the Giuda Derivative Defendants caused, or failed to prevent, our alleged issuance of materially false and misleading statements concerning our business relationship with the restaurant brand Subway and our publicly disclosed "active locations" counts. The Giuda Derivative Complaint asserts claims for breaches of fiduciary duties, contribution and indemnification, aiding and abetting breaches of fiduciary duties, insider trading against Defendant Glass, and unjust enrichment against Defendant Glass. The Giuda Derivative Complaint seeks a judgment against the Giuda Derivative Defendants declaring that plaintiffs may maintain the action on behalf of us and that they are adequate representatives of us; declaring that the Giuda Derivative Defendants have breached and/or aided and abetted the breach of their fiduciary duties to Olo; directing us to take all necessary actions to implement and maintain an effective system of internal controls and meaningful oversight and monitoring; determining and awarding to us the damages sustained as a result of the violations alleged against the Giuda Derivative Defendants; ordering Defendant Glass to disgorge and pay to us all profits, benefits, and other compensation obtained by his alleged insider trading and breaches of fiduciary duties; ordering the disgorgement of profits, benefits, and other compensation; awarding us restitution from the Giuda Derivative Defendants; awarding plaintiffs costs and disbursements of the action, including reasonable attorneys' and experts' fees, costs, and expenses; and granting such other relief that the Court deems just and proper. On April 26, 2024, the Court granted the parties' stipulation regarding a schedule for the Giuda Derivative Defendants' anticipated motion to dismiss the Giuda Derivative Complaint. The Giuda Derivative Defendants are currently negotiating a schedule to answer, move to dismiss, or otherwise respond to the Giuda Derivative Complaint. We are unable to predict the outcome, or the reasonably possible loss or range of loss, if any, related to this matter.

On May 15, 2024, Richard Scarantino (the "Scarantino Plaintiff"), an alleged Olo stockholder, filed a class action and derivative complaint on behalf of Olo stockholders and on behalf of us as a nominal defendant, in the Court of the Chancery of the State of Delaware captioned *Scarantino v. Glass, et al.* (C.A. No. 2024-0517-KSJM) (the "Scarantino Complaint") against our Board of Directors (the "Scarantino Director Defendants"), our Chief Executive Officer (the "Scarantino Officer Defendant"), The Raine Group LLC, RPII Order LLC, and Raine Associates II LP (collectively, "The Raine Group" and together with Olo, the Scarantino Director Defendants, and the Scarantino Officer Defendant, the "Scarantino Defendants"). The Scarantino Complaint alleged that the Director Defendants and Officer Defendant breached their fiduciary duties by authorizing the 2024 Buyback Program, which could result in The Raine Group having majority voting control over Olo. The Scarantino Complaint asserted a direct and a derivative claim for breaches of fiduciary duty against the Scarantino Director Defendants and the Scarantino Officer Defendant. The Scarantino Complaint also asserted that The Raine

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Group aided and abetted the Scarantino Director Defendants' and Scarantino Officer Defendant's breaches of fiduciary duty. On June 11, 2024, our Board of Directors agreed, through unanimous written consent (the "Board Resolutions") that, among other things, the 2024 Buyback Program shall be carried out in such a way that our repurchases pursuant thereto do not cause The Raine Group's ownership of Olo's outstanding voting stock to exceed 49.9% and to take appropriate measures to the best of their ability to ensure that repurchases pursuant to the 2024 Buyback Program do not cause The Raine Group's ownership of our outstanding voting stock to exceed 49.9%. The Scarantino Plaintiff subsequently agreed that the Board Resolutions would render the Scarantino Complaint moot. On June 12, 2024, the Scarantino Defendants moved to dismiss the Scarantino Complaint. On June 21, 2024, the parties filed a stipulation and proposed order dismissing the Scarantino Complaint with prejudice, which the Court granted on June 24, 2024. The Court retained jurisdiction of the lawsuit solely for the purpose of adjudicating an application for attorneys' fees in connection with the claims asserted in the Scarantino Complaint. On August 2, 2024, the Court entered a Stipulation and Order providing that the Scarantino Plaintiff's action will be dismissed with prejudice and the case will be closed, subject to the Company filing an affidavit with the Court confirming that a notice of settlement has been issued. The Company filed an affidavit with the Court on August 6, 2024.

We recorded \$0.6 million of litigation-related expenses related to this matter for the nine months ended September 30, 2024. This amount was recorded in general and administrative expenses within the condensed consolidated statement of operations.

We have also received, and may in the future continue to receive, other claims from third parties asserting, among other things, infringement of their intellectual property rights. Future litigation may be necessary to defend ourselves or our customers by determining the scope, enforceability, and validity of third-party proprietary rights or to establish our proprietary rights. Defending such proceedings is costly and can impose a significant burden on management and employees. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

Leases

In June 2024 we committed to a plan to abandon our office lease located at 99 Hudson St, New York, New York before the expiration of the lease term and relocate our corporate headquarters back to One World Trade Center. We recorded an impairment of operating lease right-of-use assets totaling \$0.6 million during the nine months ended September 30, 2024 in connection with the abandonment of the former office space. This amount was recorded in general and administrative expenses within the condensed consolidated statement of operations.

In March 2023, we abandoned our office lease located at 26 Broadway, New York, New York, resulting in a reduction of \$0.3 million to operating lease right-of-use assets and operating lease liabilities, respectively. On April 18, 2023, we entered into an agreement with our landlord that provided for an early termination of our office lease located at 26 Broadway, New York, New York.

Sublease income was \$0.6 million for the nine months ended September 30, 2024. Sublease income was \$0.6 million and \$1.9 million for the three and nine months ended September 30, 2023, respectively. During the nine months ended September 30, 2024, the subtenant of our corporate headquarters at One World Trade Center surrendered the premises back to us, and in connection with this, we recorded a lease termination benefit of \$1.4 million within general and administrative expenses.

OLO INC.
Notes to the Condensed Consolidated Financial Statements
(Unaudited)
11. Net Loss per Share Attributable to Common Stockholders

A reconciliation of net loss available to common stockholders and the number of shares in the calculation of basic and diluted net loss per share is as follows (in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Numerator:				
Net loss attributable to Class A and Class B common stockholders	\$ (3,635)	\$ (11,759)	\$ (262)	\$ (42,541)
Denominator:				
Weighted-average Class A and Class B common shares outstanding—basic	162,477,259	163,991,486	162,005,026	162,674,062
Dilutive effect of outstanding stock-based compensation awards	—	—	—	—
Weighted-average common shares outstanding—diluted	162,477,259	163,991,486	162,005,026	162,674,062
Net loss per share attributable to Class A and Class B common stockholders—basic	\$ (0.02)	\$ (0.07)	\$ 0.00	\$ (0.26)
Net loss per share attributable to common stockholders—diluted	\$ (0.02)	\$ (0.07)	\$ 0.00	\$ (0.26)

The following potential common shares were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented, because including them would have been anti-dilutive (on an as-converted basis):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Outstanding stock options	19,985,166	22,730,187	19,985,166	22,730,187
Outstanding RSUs and PSUs	9,290,750	10,404,528	9,290,750	10,404,528
Outstanding shares estimated to be purchased under ESPP	202,496	192,422	202,496	192,422
Total	29,478,412	33,327,137	29,478,412	33,327,137

12. Restructuring Charges

On September 20, 2024, we announced a reduction of our workforce by approximately 9% to reorganize our business to better focus our investments on customer needs and to support long-term growth objectives (“2024 Restructuring Plan”).

We incurred charges of \$2.4 million in connection with the 2024 Restructuring Plan for the three and nine months ended September 30, 2024, consisting of the following: \$2.0 million related to severance expense and payroll taxes and \$0.4 million related to other employee benefits. These expenses are recorded within the restructuring charges line item in the condensed consolidated statement of operations.

The following table summarizes the restructuring liabilities, which are recorded in accrued expenses and other current liabilities on the condensed consolidated balance sheets, as of September 30, 2024 (in thousands):

Balance at January 1, 2024	\$	—
Charges		2,396
Payments		(162)
Balance at September 30, 2024	\$	2,234

OLO INC.**Notes to the Condensed Consolidated Financial Statements**
(Unaudited)

The actions associated with the 2024 Restructuring Plan were fully completed during the three months ended September 30, 2024, and we do not expect to incur any material additional charges under this plan.

On June 14, 2023, we completed a reduction of our workforce by approximately 11% to reorganize our business to better focus our investments on customer needs and to support long-term growth objectives (“2023 Restructuring Plan”).

We incurred charges of \$6.8 million in connection with the 2023 Restructuring Plan for the nine months ended September 30, 2023, consisting of the following: \$4.5 million related to severance expense and payroll taxes, \$1.7 million related to stock-based compensation expense due to the acceleration of equity awards, and \$0.6 million related to other employee benefits. These expenses are recorded within the restructuring charges line item in the condensed consolidated statement of operations.

The following table summarizes the restructuring liabilities, which are recorded within accrued expenses and other current liabilities on the condensed consolidated balance sheets, as of September 30, 2023 (in thousands):

Balance at January 1, 2023	\$	—
Charges		6,682
Payments		<u>(2,726)</u>
Balance at June 30, 2023		3,956
Charges		166
Payments		<u>(4,004)</u>
Balance at September 30, 2023	\$	<u>118</u>

The actions associated with the 2023 Restructuring Plan were fully completed during the nine months ended September 30, 2023 and we do not expect to incur any material additional charges under this plan.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. The discussion contains forward-looking statements, including, but not limited to, statements with respect to our transaction volumes, our net revenue retention, our costs and expenses, and new and existing customer adoption and growth of modules and multi-modules, that are based on the beliefs of management, as well as assumptions made by, and information currently available to, our management. Actual results could differ materially from those discussed in or implied by forward-looking statements as a result of various factors, including those discussed elsewhere in this Quarterly Report on Form 10-Q, particularly in the section entitled “Special Note Regarding Forward-Looking Statements,” and our Annual Report on Form 10-K for the year ended December 31, 2023, filed with the Securities and Exchange Commission, or SEC, on February 21, 2024, and our other filings with the SEC.

Overview

We are Olo, a leading open SaaS platform for restaurants. We provide restaurant brands with an enterprise-grade, open SaaS platform that powers their digital ordering, delivery, and payment programs and enables them to collect, analyze, and act on data to drive more meaningful guest experiences. Our platform and application programming interfaces, or APIs, seamlessly integrate with a wide range of solutions, unifying disparate technologies across the restaurant ecosystem. Leading restaurant brands trust Olo for its capabilities, reliability, security, scalability, and interoperability. Our platform currently handles, on average, more than two million orders per day, and more than 85 million guests have transacted on our platform over the last year. As of September 30, 2024, our customer base included over 700 restaurant brands, representing approximately 85,000 active locations, across all industry service models, including quick service, fast casual, casual dining, family dining, and coffee and snack food.

As a result of our ability to meet restaurant brands’ growing needs, gross merchandise volume, or GMV, which we define as the gross value of orders processed through our platform, has increased on an annual basis, reaching more than \$26 billion during the year ended December 31, 2023, and gross payment volume, or GPV, which we define as the gross volume of payments processed through Olo Pay, has reached \$1 billion during the year ended December 31, 2023. Management uses GMV and GPV metrics to assess demand for our products. We also believe these metrics 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.

Restaurants are an incredibly complex segment of the retail industry. Restaurant operators must manage the intricacies of food production for just-in-time consumption and comply with strict health and safety regulations while providing a high-quality and consistent guest experience that engenders loyalty and trust. Most restaurant brands, which we define as a specific restaurant brand or restaurant chain, do not have the expertise or the resources to develop their own solutions to manage on-demand digital commerce and are more acutely challenged because their in-store technology consists of a fragmented set of legacy solutions, many of which were developed before the internet. At the same time, delivery service providers, or DSPs, and ordering aggregators have catalyzed digital demand, but pose new challenges for restaurant brands through lower long-term profitability, increased complexity, disintermediation of the restaurant’s direct relationship with the guest and, increasingly, directly competitive food offerings. Due to its unique complexities and challenges, the restaurant industry has historically been one of the lowest-penetrated on-demand digital commerce segments of the retail industry, with digital orders accounting for only 16% of total restaurant industry orders in 2023, according to data from Circana (formerly known as The NPD Group).

Our open SaaS platform is purpose-built to meet the complex needs of restaurants and align with the interests of the restaurant industry. We have developed our platform in collaboration with many of the leading restaurant brands in the United States. We believe our platform is the only independent open SaaS platform for restaurants to enable hospitality with modern solutions across three product suites:

- **Order.** A suite of solutions powering restaurant brands’ on-demand commerce operations, enabling digital ordering, delivery, and channel management;

- **Pay.** A fully-integrated, frictionless payment platform, enabling restaurants to grow and protect their digital business through an improved guest payment experience, offering advanced fraud prevention designed to improve authorization rates for valid transactions, and increase basket conversion; and
- **Engage.** A suite of restaurant-centric marketing solutions optimizing Guest Lifetime Value, or LTV, by leveraging data to strengthen and enhance the restaurants' direct guest relationships.

The key milestones in our corporate history are the following:

- 2005: Olo Founder and CEO Noah Glass accepted \$0.5 million in Series A funding to start Mobo.
- 2010: We began rebranding as “Olo” and shifted our focus to enterprise customers.
- 2015: We launched Dispatch, our first significant product extension.
- 2017: We launched Rails and surpassed \$1 billion in GMV.
- 2021: We completed our IPO, executed our first acquisition, and surpassed \$20 billion in GMV.
- 2022: We announced commercial availability of Olo Pay, and surpassed \$23 billion in GMV and \$250 million in GPV.
- 2023: We surpassed \$26 billion in GMV and \$1 billion in GPV.

We continually invest in architectural improvements so that our system can scale in tandem with our continued growth. Additionally, both internal and external security experts frequently test our system for vulnerabilities. To our knowledge, we have never experienced a material breach of customer or guest data. Our open SaaS platform integrates with over 400 restaurant technology solutions including point-of-sale, or POS, systems, aggregators, DSPs, ordering service providers, or OSPs, payment processors, user experience, or UX, and user interface, or UI, providers, and loyalty programs, giving our customers significant control over the configuration and features of their distinct digital offering.

Our contracts typically have initial terms of three years or longer, with continuous one-to-two-year automatic renewal periods, providing visibility into our future financial performance. We have a highly efficient go-to-market model as a result of our industry thought leadership, partnership approach with our restaurant customers, and experienced enterprise sales, customer success, and deployment teams. Unlike other enterprise software businesses, where the sales team works to add a single location or division and expand to others, we generally enter into relationships at the brand's corporate level and strive to secure exclusivity across all locations. This enables us to deploy our modules across all new and existing brand locations without any additional sales and marketing costs and upsell new offerings to the brand itself, rather than each individual location. Our dollar-based net revenue retention exceeded 120% for the three months ended September 30, 2024. See the section below entitled “Key Factors Affecting Our Performance” for additional information on how we calculate dollar-based net revenue retention.

We refer to our business model as a transactional SaaS model, as it includes both subscription and transaction-based revenue streams, and we designed it to align with our customers' success. Our model allows our customers to forego the cost of building, maintaining, and securing their own digital ordering and delivery platforms and to retain direct relationships with their guests while maximizing profitability. Our hybrid-pricing model provides us with a predictable revenue stream and enables us to further grow our revenue as our customers increase their digital order volume. We generate subscription revenue primarily from our Ordering, Switchboard, Kiosk, Catering, Virtual Brands, Sync, Guest Data Platform, or GDP, Marketing, Sentiment, and Host modules. In addition, a portion of our customers purchase an allotment of monthly orders for a fixed monthly fee and pay us an additional fee for each excess order, which we also consider to be subscription revenue. Our transaction revenue primarily includes revenue generated from our Dispatch, Rails, Network, Virtual Brands, and Olo Pay modules. In most cases, we also charge aggregators, channel partners, and other service providers in our ecosystem on a per transaction basis for access to our Rails and Dispatch modules.

Key Factors Affecting Our Performance

Expand Within Our Existing Customer Base

Our large base of enterprise customers and transactional SaaS revenue model represent an opportunity for further revenue expansion from the sale of additional modules and the addition of new restaurant locations. A key factor to our success in executing our expansion strategy will be our ability to retain our existing and future restaurant customers. Our long-term, direct digital ordering contracts with our customers provide us the opportunity to form unique trusted partnerships with our restaurant brands, further enhancing our ability to satisfy and retain our customers. Our contracts typically have initial terms of three years or longer, with continuous one-to-two-year automatic renewal periods, providing visibility into our future performance.

One indication of our ability to grow within our customer base, through the development of our products that our customers value, is our average revenue per unit. We calculate our average revenue per unit by dividing the total platform revenue in a given period by the average active locations in that same period. We believe this demonstrates our ability to grow within our customer base through the development of our products that our customers value. Our ability to retain and increase revenue from existing customers will depend on a number of factors, including fluctuations in our customers' spending levels, our customers' ability to deploy our modules, fluctuations in the number of transactions processed by our customers on the platform, the average number of active locations, and the ability of our customers to switch to a competitor or develop their own internal platform solutions. As previously disclosed, Wingstop Inc. rolled out an initiative to develop their own technology solution in the second quarter of 2024, while continuing to use Olo's API for Voice orders. The change to the Wingstop Inc. relationship has not been, and we believe will continue to not be, material to our business, results of operations, or financial condition.

The following summarizes our average revenue per unit and approximate number of active locations for the three months ended, or as of, each of the dates presented.

	Three Months Ended September 30,	
	2024	2023
Average Revenue Per Unit	\$ 850	\$ 742
Ending Active Locations	85,000	78,000

Another metric used to demonstrate the propensity of our customers to continue to work with and expand their relationship with us over time is our dollar-based net revenue retention, which compares our revenue from the same set of active customers in one period to the prior year period. An active customer is a specific restaurant brand that utilizes one or more of our modules in a given quarterly period. We calculate dollar-based net revenue retention 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. 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 net revenue retention. We believe that net revenue retention 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.

For the quarter ended September 30, 2024, net revenue retention exceeded 120%. We have maintained a net revenue retention in excess of 100% throughout the past several years, and expect to continue this trend in the near term as customers continue to adopt additional product modules such as Olo Pay, GDP, Marketing, Sentiment, and Host.

We believe that, in the near term, average revenue per unit and net revenue retention will be greater drivers of growth than total active locations. This is due to the potential opportunity for further multi-module penetration and continued growth in digital ordering across our existing customer base. Additionally, because multi-module penetration can vary across active locations, fluctuations in active locations may not be a clear indication of performance. An example of this would be when a brand has transitioned from our platform and the associated total revenue or revenue per unit of that brand is not material or less than our average.

Enable Higher Transaction Volume

Transaction revenue will continue to be an important source of our growth. We intend to continue to work with our existing restaurant customers to enable higher transaction volume at their locations that utilize our products. Higher transaction volumes may enable us to generate additional subscription and transaction revenue. As on-demand digital commerce grows to represent a larger share of total food consumption, we expect to significantly benefit from this secular trend as we capture a portion of this increased on-demand digital commerce order volume. Not only does our software create the opportunity to drive more orders for our customers, but we also expect the industry's secular tailwinds to help increase transaction order volume as more guests order food through digital means, including on- and off-premise. As transaction volume increases, the subscription revenue we receive from certain subscription-based modules may also increase as customers subscribe for higher tier ordering packages to enable more transactions. Additionally, as we continue to expand our product offerings and improve our current software, we also believe that we may be able to increase our share of the transaction revenue that flows through our platform. Specifically, in February 2022, we announced the general availability of our payment solution, Olo Pay, which we believe can continue to increase our ability to generate transactional revenue. Our ability to increase transaction volume is dependent on, among other factors, macroeconomic conditions, as well as the continued shift to digital ordering for food consumption and our ability to capture a meaningful portion of that shift.

Add New Large Multi-Location and High-Growth Restaurant Brands

We believe there is a substantial opportunity to continue to grow our customer base across the U.S. restaurant industry, adding to our over 700 existing brands across approximately 85,000 active locations as of September 30, 2024. 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. We intend to continue to drive new customer growth by leveraging our brand and experience within the industry and expanding our sales and marketing efforts. We have also historically pursued and will continue to target the most well-capitalized, fastest-growing restaurant brands in the industry. Our ability to attract new customers will depend on a number of factors, including our ability to innovate, the effectiveness and pricing of our new and existing modules, the growth of digital ordering, and the success of our marketing efforts.

Investment in Innovation and Growth

We have invested and intend to continue to invest in expanding the functionality of our current platform and broadening our capabilities to address new market opportunities, particularly around payments, data analytics, and on-premise dining. We also intend to continue to invest in enhancing awareness of our brand and developing more modules, features, and functionality that expand our capabilities to facilitate the extension of our platform to new use cases and industry verticals. We believe this strategy will provide new avenues for growth and allow us to continue to deliver differentiated, high-value outcomes to both our customers and stockholders. Specifically, we intend to invest in research and development to expand our existing modules and build new modules, sales and marketing to promote our modules to new and existing customers and in existing and expanded geographies, professional services to ensure the success of our customers' implementations of our platform, and other operational and administrative functions to support our expected growth and requirements as a public company. For example, as Olo Pay continues to scale and we realize expanded Olo Pay adoption, we may experience increased processing and personnel-related costs. We expect our total operating expenses will increase over time and, in some cases, have short-term negative impacts on our operating margin. We also intend to continue to evaluate strategic acquisitions and investments in businesses and technologies to drive product and market expansion. Our future success is dependent, in part, on our ability to successfully develop, market, and sell new and existing modules to new and existing customers.

Grow Our Ecosystem

We plan to expand our current ecosystem of third-party partners to better support our customers. Our platform is highly configurable and deeply embedded into our customers' disparate existing infrastructures. Our platform seamlessly integrates with technology providers across the restaurant ecosystem, including most POS systems, DSPs, OSPs, aggregators, payment processors, loyalty programs, on-premise ordering providers, kitchen display systems, labor management providers, inventory management providers, and reservation and customer relationship management platforms. We believe that we can leverage these unique partnerships to deliver additional value to our customers. We see opportunity to further broaden our partnership group and build upon the integrations we currently offer. We plan to continue to invest and expand our ecosystem

of compatible third-party technology providers to allow us to service a broader network of restaurant brands. We believe that these technology partnerships make us a critical component for restaurant brands looking to enhance their digital ordering and delivery platforms. We intend to continue to invest in building functionality that further integrates our platform with additional third-party technology providers, which would expand our capabilities and facilitate the extension of our platform to new use cases and industry verticals. Our future success is dependent on our ability to continue to integrate with third-party technology providers in the restaurant ecosystem.

Expand Our Longer-Term Market Opportunity

While we have not made any significant investments in this area to date, we believe there is an opportunity to partner with small- and medium-sized businesses to enable their on-demand digital commerce presence. Additionally, as many of our customers operate internationally, we believe there is a significant opportunity to expand the usage of our platform outside of the United States. We also believe that our platform can be applied to other commerce verticals, beyond the restaurant industry, that are undergoing a similar digital transformation to deliver real-time experiences and on-demand fulfillment to guests. For example, we currently partner with a number of grocery chains who use our Ordering module to help their guests order ready-to-eat meals and may potentially expand these or other partnerships in the future. We anticipate that our operating expenses will increase as a result of these initiatives and, in some cases, have short-term negative impacts on our operating margin.

Components of Results of Operations

Revenue

We generate revenue primarily from platform fees and professional services.

Platform

Platform revenue primarily consists of fees that provide customers access to one or more of our modules and standard customer support. Our contracts typically have initial terms of three years or longer, with continuous one-to-two-year automatic renewal periods. We generally bill monthly in arrears. A majority of our platform revenue is derived from our Order solutions, which consist of our Ordering, Dispatch, Rails, Switchboard, Network, Virtual Brands, Kiosk, Catering, and Sync modules. We also generate platform revenue from our Olo Pay module, which became commercially available during 2022, as well as from our Engage solutions, which consist of our GDP, Marketing, Sentiment, and Host modules.

Professional Services and Other

Professional services and other revenue primarily consists of fees paid to us by our customers for the implementation of our platform. The majority of our professional service fees are billed on a fixed fee basis upon execution of our agreement.

Cost of Revenue

Platform

Platform cost of revenue primarily consists of costs directly related to our platform services, including expenses for customer support and infrastructure personnel, including salaries, taxes, benefits, bonuses, and stock-based compensation, which we refer to as personnel costs, third-party software licenses, hosting, amortization of capitalized internal-use software and developed technology, payment processing, and allocated overhead. We expect platform cost of revenue to increase in absolute dollars in order to support additional customer and transaction volume growth on our platform.

Professional Services and Other

Professional services and other cost of revenue primarily consists of the personnel costs of our deployment team associated with delivering these services and allocated overhead.

Gross Profit

Gross profit, or revenue less cost of revenue, has been, and will continue to be, affected by various factors, including revenue fluctuations, our mix of revenue associated with various modules, the timing and amount of investments in personnel, increased hosting capacity to align with customer growth, and third-party licensing costs.

Operating Expenses

Our operating expenses consist of research and development, general and administrative, sales and marketing expenses, and restructuring charges. Personnel costs are the most significant component of operating expenses.

Research and Development

Research and development expenses primarily consist of engineering and product development personnel costs and allocated overhead costs. Research and development costs exclude capitalized internal-use software development costs, as they are capitalized as a component of property and equipment, net and amortized to platform cost of revenue over the term of their estimated useful life. We anticipate investments in this area to increase on an absolute dollar basis, but to decrease as a percentage of revenue over time, as we balance growth initiatives and investments in innovative solutions to support our customers' rapidly evolving needs.

General and Administrative

General and administrative expenses primarily consist of personnel costs and contractor fees for finance, legal, human resources, information technology, and other administrative functions. In addition, general and administrative expenses include amortization of trademarks, travel-related expenses, and allocated overhead. We also incur additional general and administrative expenses as a result of operating as a public company. We expect that our general and administrative expenses will continue to grow on an absolute dollar basis while declining as a percentage of revenue as we continue to scale our operations over time.

Sales and Marketing

Sales and marketing expenses primarily consist of sales, marketing, and other personnel costs, commissions, general marketing, amortization of customer relationships, promotional activities, and allocated overhead costs. Sales commissions earned by our sales force are deferred and amortized on a straight-line basis over the expected benefit period. We plan to continue to invest in sales and marketing by expanding our go-to-market activities, including sponsoring additional marketing events and trade shows. We expect our sales and marketing expenses to increase on an absolute dollar basis, but decline as a percentage of revenue, over time.

Restructuring Charges

Restructuring charges are comprised of severance costs, payroll taxes, benefits, and stock-based compensation expense associated with the accelerated vesting of equity awards. These charges were incurred as a result of our completed workforce reductions in the third quarter of 2024 and the second quarter of 2023.

Other Income, Net

Other income, net consists primarily of income earned on our investments and money-market funds in cash and cash equivalents, partially offset by interest expense related to our credit facility.

Provision for Income Taxes

Provision for income taxes primarily relates to U.S. state income taxes where we conduct business.

Results of Operations

The following tables set forth our results of operations for the periods presented.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
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 ⁽¹⁾	32,081	22,203	90,197	59,537
Professional services and other ⁽¹⁾	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 ⁽¹⁾	17,170	18,035	51,126	56,806
General and administrative ⁽¹⁾⁽²⁾	15,130	21,307	36,550	56,986
Sales and marketing ⁽¹⁾	12,832	11,363	40,752	36,438
Restructuring charges ⁽¹⁾	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)

(1) Includes stock-based compensation expense as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cost of revenue - platform	\$ 1,182	\$ 1,661	\$ 3,995	\$ 5,159
Cost of revenue - professional services and other	83	165	257	528
Research and development	2,779	3,628	8,458	11,730
General and administrative	5,008	5,506	14,573	16,093
Sales and marketing	1,449	1,553	4,474	6,103
Restructuring charges	—	—	—	1,728
Total stock-based compensation expense	\$ 10,501	\$ 12,513	\$ 31,757	\$ 41,341

(2) Includes benefits of \$10.6 million for the nine months ended September 30, 2024, related to insurance recoveries of certain litigation-related expenses. Refer to “Note 10—Commitments and Contingencies” of our condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q for additional information.

The following table sets forth our statements of operations data expressed as a percentage of total revenue for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Revenue:				
Platform	98.8 %	99.1 %	98.8 %	98.8 %
Professional services and other	1.2	0.9	1.2	1.2
Total revenue	100.0	100.0	100.0	100.0
Cost of revenue:				
Platform	44.6	38.4	43.2	36.0
Professional services and other	1.1	1.8	1.2	1.9
Total cost of revenue	45.7	40.2	44.4	38.0
Gross Profit	54.3	59.8	55.6	62.0
Operating expenses:				
Research and development	23.9	31.2	24.5	34.4
General and administrative	21.1	36.9	17.5	34.5
Sales and marketing	17.9	19.7	19.5	22.0
Restructuring charges	3.3	0.3	1.1	4.1
Total operating expenses	66.1	88.0	62.6	95.0
Loss from operations	(11.9)	(28.2)	(7.0)	(33.0)
Other income, net:				
Interest income	6.9	8.0	7.0	7.4
Interest expense	0.0	(0.1)	0.0	(0.1)
Other (expense) income	0.0	0.0	0.0	0.0
Total other income, net	6.8	7.9	7.0	7.3
Loss before income taxes	(5.0)	(20.3)	(0.1)	(25.7)
Provision for income taxes	0.1	0.0	0.1	0.0
Net loss	(5.1)%	(20.3)%	(0.1)%	(25.7)%

Comparison of the Three Months Ended September 30, 2024 and 2023

Revenue

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
(in thousands, except percentages)				
Revenue:				
Platform	\$ 70,999	\$ 57,261	\$ 13,738	24.0 %
Professional services and other	854	533	321	60.2
Total Revenue	<u>\$ 71,853</u>	<u>\$ 57,794</u>	\$ 14,059	24.3 %

Platform

Total platform revenue increased \$13.7 million, or 24.0%, to \$71.0 million for the three months ended September 30, 2024 from \$57.3 million for the three months ended September 30, 2023. This increase was primarily the result of increases in Olo Pay adoption and volume, combined with higher Order revenue from new customers and higher transaction volume. Average revenue per unit increased to approximately \$850 for the three months ended September 30, 2024 from approximately \$742 for the three months ended September 30, 2023. For the three months ended September 30, 2024 and 2023, 38.9% and 43.9% of our platform revenue was subscription revenue, respectively, and 61.1% and 56.1% was transaction revenue, respectively. Active locations increased to approximately 85,000 as of September 30, 2024 from approximately 78,000 as of September 30, 2023.

Professional Services and Other

Total professional services and other revenue increased \$0.3 million, or 60.2%, to \$0.9 million for the three months ended September 30, 2024 from \$0.5 million for the three months ended September 30, 2023. This increase was driven by an increase in deployments during the three months ended September 30, 2024.

Cost of Revenue, Gross Profit, and Gross Margin

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
(in thousands, except percentages)				
Cost of revenues:				
Platform	\$ 32,081	\$ 22,203	\$ 9,878	44.5 %
Professional services and other	763	1,026	(263)	(25.6)
Total cost of revenue	<u>\$ 32,844</u>	<u>\$ 23,229</u>	\$ 9,615	41.4 %
Percentage of revenue:				
Platform	44.6 %	38.4 %		
Professional services and other	1.1	1.8		
Total cost of revenue	<u>45.7 %</u>	<u>40.2 %</u>		
Gross Profit	<u>\$ 39,009</u>	<u>\$ 34,565</u>	\$ 4,444	12.9 %
Gross Margin	54.3 %	59.8 %		

Platform

Total platform cost of revenue increased \$9.9 million, or 44.5%, to \$32.1 million for the three months ended September 30, 2024 from \$22.2 million for the three months ended September 30, 2023. This increase was primarily the result

of higher transaction processing costs associated with the increased adoption of Olo Pay and increased amortization of capitalized internal-use software.

Professional Services and Other

Total professional services and other cost of revenue decreased \$0.3 million, or 25.6%, to \$0.8 million for the three months ended September 30, 2024 from \$1.0 million for the three months ended September 30, 2023. This decrease was primarily the result of reduced third party consulting costs and a decrease in stock-based compensation costs during the three months ended September 30, 2024.

Gross Profit

Gross profit increased \$4.4 million to \$39.0 million for the three months ended September 30, 2024, from \$34.6 million for the three months ended September 30, 2023. Gross margin decreased to 54.3% for the three months ended September 30, 2024 from 59.8% for the three months ended September 30, 2023. The increase in gross profit was due to an increase in platform revenue, as discussed above. The decrease in gross margin was driven by higher transaction processing costs associated with the increased Olo Pay adoption and increased amortization of capitalized internal-use software.

Operating Expenses

Research and Development

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Research and development	\$ 17,170	\$ 18,035	\$ (865)	(4.8)%
Percentage of total revenue	23.9 %	31.2 %		

Research and development expense decreased \$0.9 million, or 4.8%, to \$17.2 million for the three months ended September 30, 2024 from \$18.0 million for the three months ended September 30, 2023. This decrease was primarily the result of reduced stock-based compensation costs during the three months ended September 30, 2024. This was partially offset by increases in hosting costs. As a percentage of total revenue, research and development expenses decreased to 23.9% for the three months ended September 30, 2024 from 31.2% for the three months ended September 30, 2023.

General and Administrative

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
General and administrative	\$ 15,130	\$ 21,307	\$ (6,177)	(29.0)%
Percentage of total revenue	21.1 %	36.9 %		

General and administrative expense decreased \$6.2 million, or 29.0%, to \$15.1 million for the three months ended September 30, 2024 from \$21.3 million for the three months ended September 30, 2023. This decrease was primarily driven by higher litigation-related expenses recorded during the three months ended September 30, 2023 and the charitable donation of common stock during the three months ended September 30, 2023. As a percentage of total revenue, general and administrative expenses decreased to 21.1% for the three months ended September 30, 2024 from 36.9% for the three months ended September 30, 2023.

Sales and Marketing

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Sales and marketing	\$ 12,832	\$ 11,363	\$ 1,469	12.9 %
Percentage of total revenue	17.9 %	19.7 %		

Sales and marketing expense increased \$1.5 million, or 12.9%, to \$12.8 million for the three months ended September 30, 2024 from \$11.4 million for the three months ended September 30, 2023. This increase was primarily the result of additional compensation costs, including commission costs, due to an increase in sales and marketing headcount. As a percentage of total revenue, sales and marketing expense decreased to 17.9% for the three months ended September 30, 2024 from 19.7% for the three months ended September 30, 2023.

Restructuring Charges

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Restructuring charges	\$ 2,396	\$ 166	\$ 2,230	1343.4 %
Percentage of total revenue	3.3 %	0.3 %		

Restructuring charges were \$2.4 million and \$0.2 million for the three months ended September 30, 2024 and 2023, respectively. The charges were comprised of severance costs, payroll taxes, and other employee benefits. These charges were incurred as a result of our completed corporate reorganizations in 2023 and 2024, each of which entailed a reduction of workforce.

Other Income, Net

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Other income, net:				
Interest income	\$ 4,936	\$ 4,598	\$ 338	7.4 %
Percentage of total revenue	6.9 %	8.0 %		
Interest expense	\$ (14)	\$ (43)	\$ 29	(67.4)%
Percentage of total revenue	— %	(0.1)%		
Other (expense) income	\$ (1)	\$ (1)	\$ —	— %
Percentage of total revenue	— %	— %		
Total other income, net	\$ 4,921	\$ 4,554	\$ 367	8.1 %
Percentage of total revenue	6.8 %	7.9 %		

Other income for the three months ended September 30, 2024 was primarily driven by income earned on our investments and money-market funds. The increase in interest income for the three months ended September 30, 2024 as compared to the three months ended September 30, 2023 is primarily driven by growth in our investment portfolio.

Provision for Income Taxes

	Three Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Provision for income taxes	\$ 37	\$ 7	\$ 30	428.6 %
Percentage of total revenue	0.1 %	— %		

Provision for income taxes for the three months ended September 30, 2024 primarily consists of state income taxes. We maintain a full valuation allowance on our net federal and state deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will not be realized.

Comparison of the Nine Months Ended September 30, 2024 and 2023
Revenue

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Revenue:				
Platform	\$ 206,364	\$ 163,235	\$ 43,129	26.4 %
Professional services and other	2,504	2,050	454	22.1
Total Revenue	<u>\$ 208,868</u>	<u>\$ 165,285</u>	\$ 43,583	26.4 %

Platform

Total platform revenue increased \$43.1 million, or 26.4%, to \$206.4 million for the nine months ended September 30, 2024 from \$163.2 million for the nine months ended September 30, 2023. This increase was primarily the result of increases in Olo Pay adoption and volume, combined with higher Order revenue from new customers and higher transaction volume. Average revenue per unit increased to approximately \$2,504 for the nine months ended September 30, 2024 from approximately \$2,128 for the nine months ended September 30, 2023. For the nine months ended September 30, 2024 and 2023, 39.4% and 45.7% of our platform revenue was subscription revenue, respectively, and 60.6% and 54.3% was transaction revenue, respectively. Active locations increased to approximately 85,000 as of September 30, 2024 from approximately 78,000 as of September 30, 2023.

Professional Services and Other

Total professional services and other revenue increased \$0.5 million, or 22.1%, to \$2.5 million for the nine months ended September 30, 2024 from \$2.1 million for the nine months ended September 30, 2023. This increase was driven by an increase in deployments during the nine months ended September 30, 2024.

Cost of Revenue, Gross Profit, and Gross Margin

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Cost of revenues:				
Platform	\$ 90,197	\$ 59,537	\$ 30,660	51.5 %
Professional services and other	2,549	3,220	(671)	(20.8)
Total cost of revenue	<u>\$ 92,746</u>	<u>\$ 62,757</u>	\$ 29,989	47.8 %
Percentage of revenue:				
Platform	43.2 %	36.0 %		
Professional services and other	1.2	1.9		
Total cost of revenue	<u>44.4 %</u>	<u>38.0 %</u>		
Gross Profit	<u>\$ 116,122</u>	<u>\$ 102,528</u>	\$ 13,594	13.3 %
Gross Margin	55.6 %	62.0 %		

Platform

Total platform cost of revenue increased \$30.7 million, or 51.5%, to \$90.2 million for the nine months ended September 30, 2024 from \$59.5 million for the nine months ended September 30, 2023. This increase was primarily the result

of higher transaction processing costs associated with the increased adoption of Olo Pay and increased amortization of capitalized internal-use software.

Professional Services and Other

Total professional services and other cost of revenue decreased \$0.7 million, or 20.8%, to \$2.5 million for the nine months ended September 30, 2024 from \$3.2 million for the nine months ended September 30, 2023. This decrease was primarily the result of reduced third party consulting costs and a decrease in stock-based compensation costs during the nine months ended September 30, 2024.

Gross Profit

Gross profit increased \$13.6 million to \$116.1 million for the nine months ended September 30, 2024, from \$102.5 million for the nine months ended September 30, 2023. Gross margin decreased to 55.6% for the nine months ended September 30, 2024 from 62.0% for the nine months ended September 30, 2023. The increase in gross profit was due to an increase in platform revenue, as discussed above. The decrease in gross margin was driven by higher transaction processing costs associated with the increased Olo Pay adoption and increased costs from amortization of capitalized internal-use software.

Operating Expenses

Research and Development

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Research and development	\$ 51,126	\$ 56,806	\$ (5,680)	(10.0)%
Percentage of total revenue	24.5 %	34.4 %		

Research and development expense decreased \$5.7 million, or 10.0%, to \$51.1 million for the nine months ended September 30, 2024 from \$56.8 million for the nine months ended September 30, 2023. This decrease was primarily the result of reduced compensation costs during the nine months ended September 30, 2024 stemming from our workforce reductions in 2024 and 2023. This was partially offset by increases in hosting costs. As a percentage of total revenue, research and development expenses decreased to 24.5% for the nine months ended September 30, 2024 from 34.4% for the nine months ended September 30, 2023.

General and Administrative

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
General and administrative	\$ 36,550	\$ 56,986	\$ (20,436)	(35.9)%
Percentage of total revenue	17.5 %	34.5 %		

General and administrative expense decreased \$20.4 million, or 35.9%, to \$36.6 million for the nine months ended September 30, 2024 from \$57.0 million for the nine months ended September 30, 2023. This decrease was primarily driven by higher litigation-related expenses recorded during the nine months ended September 30, 2023, combined with the impact of \$10.6 million of litigation-related insurance recoveries recorded in the nine months ended September 30, 2024. Refer to “Note 10—Commitments and Contingencies” of our condensed consolidated financial statements included in Item 1 of this Quarterly Report on Form 10-Q for additional information. Also contributing to the decrease were reduced compensation costs during the nine months ended September 30, 2024 stemming from our workforce reduction in 2023 and the charitable donation of common stock during the nine months ended September 30, 2023. As a percentage of total revenue, general and administrative expenses decreased to 17.5% for the nine months ended September 30, 2024 from 34.5% for the nine months ended September 30, 2023.

Sales and Marketing

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
(in thousands, except percentages)				
Sales and marketing	\$ 40,752	\$ 36,438	\$ 4,314	11.8 %
Percentage of total revenue	19.5 %	22.0 %		

Sales and marketing expense increased \$4.3 million, or 11.8%, to \$40.8 million for the nine months ended September 30, 2024 from \$36.4 million for the nine months ended September 30, 2023. This increase was primarily the result of additional compensation costs, including commission costs, due to an increase in sales and marketing headcount. As a percentage of total revenue, sales and marketing expense decreased to 19.5% for the nine months ended September 30, 2024 from 22.0% for the nine months ended September 30, 2023.

Restructuring Charges

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
(in thousands, except percentages)				
Restructuring charges	\$ 2,396	\$ 6,848	\$ (4,452)	(65.0)%
Percentage of total revenue	1.1 %	4.1 %		

Restructuring charges were \$2.4 million and \$6.8 million for the nine months ended September 30, 2024 and 2023, respectively. The charges were comprised of severance costs, payroll taxes, other employee benefits, and stock-based compensation expense associated with the accelerated vesting of equity awards. These charges were incurred as a result of our completed corporate reorganizations in the third quarter of 2024 and the second quarter of 2023, each of which entailed a reduction of workforce.

Other Income, Net

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
(in thousands, except percentages)				
Other income, net:				
Interest income	\$ 14,687	\$ 12,207	\$ 2,480	20.3 %
Percentage of total revenue	7.0 %	7.4 %		
Interest expense	\$ (98)	\$ (165)	\$ 67	(40.6)%
Percentage of total revenue	— %	(0.1)%		
Other (expense) income	\$ 2	\$ (1)	\$ 3	(300.0)%
Percentage of total revenue	— %	— %		
Total other income, net	\$ 14,591	\$ 12,041	\$ 2,550	21.2 %
Percentage of total revenue	7.0 %	7.3 %		

Other income for the nine months ended September 30, 2024 was primarily driven by income earned on our investments and money-market funds. The increase in interest income for the nine months ended September 30, 2024 as compared to the nine months ended September 30, 2023 is primarily driven by growth in our investment portfolio.

Provision for Income Taxes

	Nine Months Ended September 30,		Change	
	2024	2023	\$	%
	(in thousands, except percentages)			
Provision for income taxes	\$ 151	\$ 32	\$ 119	371.9 %
Percentage of total revenue	0.1 %	— %		

Provision for income taxes for the nine months ended September 30, 2024 primarily consists of state income taxes. We maintain a full valuation allowance on our net federal and state deferred tax assets as we have concluded that it is more likely than not that the deferred tax assets will not be realized.

Liquidity and Capital Resources

General

As of September 30, 2024, our principal sources of liquidity were cash and cash equivalents and short-term and long-term investments in marketable securities, totaling \$391.9 million, which was held for working capital purposes and to fund repurchases of our Class A common stock (as described more fully below), as well as the available balance of our revolving line of credit, described further below.

We have financed our operations primarily through payments received from customers and sales of our equity securities.

On September 7, 2022, the Board of Directors authorized a program to repurchase up to \$100 million of our Class A common stock, or the Stock Buyback Program. During the nine months ended September 30, 2024, we repurchased 4,173,999 shares of our Class A common stock for approximately \$22.2 million under the Stock Buyback Program, completing this program.

On April 30, 2024, the Board of Directors authorized a program to repurchase up to \$100 million of our Class A common stock, or the 2024 Buyback Program. Under the 2024 Buyback Program, we may repurchase shares of our Class A common stock from time to time on a discretionary basis through open market repurchases, privately negotiated transactions, block purchases or other means, and such repurchases will be structured to occur in compliance with applicable securities laws. The timing and actual number of shares repurchased, if any, will be determined by the Board of Directors or a committee established by the Board of Directors, depending on a variety of factors, including the Class A common stock price, trading volume, market conditions, our cash flow and liquidity profile, the capital needs of the business, and other considerations. We expect to fund repurchases with existing cash on hand. The 2024 Buyback Program has no expiration date and may be modified, suspended, or terminated at any time by the Board of Directors at its discretion. We have not made any repurchases under the 2024 Buyback Program.

We believe our existing cash and cash equivalents, marketable securities, and amounts available under our outstanding credit facility will be sufficient to support our working capital and capital expenditure requirements for at least the next twelve months and thereafter for the foreseeable future. Our future capital requirements will depend on many factors, including, but not limited to, our obligation to repay any balance under our credit facility if we were to borrow against the facility in the future, our platform revenue growth rate, receivable and payable cycles, and the timing and extent of investments in research and development, sales and marketing, and general and administrative expenses.

Credit Facility

As of September 30, 2024, we had \$68.6 million of commitments available under the Second Amended and Restated Loan and Security Agreement with Banc of California (formerly known as Pacific Western Bank), after consideration of \$1.4 million in our letter of credit on the lease of our corporate headquarters at One World Trade Center. As of September 30, 2024, we had no outstanding borrowings under the line of credit, and no amounts have been drawn against any of our letters of credit.

Cash Flows

The following table summarizes our cash flows for the periods presented:

	Nine Months Ended September 30,	
	2024	2023
	(in thousands)	
Net cash provided by (used in) operating activities	\$ 30,389	\$ (12,383)
Net cash used in investing activities	\$ (17,866)	\$ (18,369)
Net cash used in financing activities	\$ (18,561)	\$ (32,920)

Operating Activities

For the nine months ended September 30, 2024, net cash provided by operating activities was \$30.4 million, primarily due to a net loss of \$0.3 million adjusted for non-cash charges of \$47.4 million, partially offset by a net decrease attributable to our operating assets and liabilities of \$16.8 million. The non-cash adjustments primarily relate to stock-based compensation charges of \$31.8 million, depreciation and amortization expense of \$10.4 million, and provision for expected credit losses of \$3.8 million. The net decrease attributable to our operating assets and liabilities was primarily driven by a decrease in accrued expenses of \$20.2 million related primarily to the relief of a liability related to a legal settlement, payment of fees owed to delivery service providers, vendors, and the payment of accrued compensation offset by a decrease in accounts receivable of \$10.6 million.

For the nine months ended September 30, 2023, net cash provided by operating activities was \$12.4 million, primarily due to a net loss of \$42.5 million adjusted for non-cash charges of \$51.5 million, and a net decrease attributable to our operating assets and liabilities of \$21.3 million. The non-cash adjustments primarily related to stock-based compensation charges of \$41.3 million and depreciation and amortization expense of \$7.3 million, and a charge related to a charitable donor-advised fund of \$1.1 million. The net decrease attributable to our operating assets and liabilities was primarily driven by an increase in accounts receivable of \$23.6 million due primarily to higher days sales outstanding for the period, driven in part by a change in billing timing. This was partially offset by an increase in accrued expenses and other current liabilities of \$7.2 million related primarily to higher fees owed to delivery service providers and a liability related to cash received on behalf of the subtenant of our corporate headquarters at One World Trade Center in advance of certain future rental obligations that were due from the subtenant.

Investing Activities

Cash used in investing activities was \$17.9 million during the nine months ended September 30, 2024, primarily due to \$7.6 million of net purchases of investments and \$9.5 million for the development of capitalized internal-use software to support further product development.

Cash used in investing activities was \$18.4 million during the nine months ended September 30, 2023, primarily due to \$8.3 million of net purchases of investments and \$10.0 million for the development of capitalized internal-use software to support further product development.

Financing Activities

Cash used by financing activities was \$18.6 million during the nine months ended September 30, 2024, primarily driven by \$22.2 million of stock repurchases under the Stock Buyback Program, partially offset by \$3.6 million of net proceeds from the exercise of stock options and purchases under the employee stock purchase plan.

Cash used by financing activities was \$32.9 million during the nine months ended September 30, 2023, primarily driven by \$43.1 million of stock repurchases under the Stock Buyback Program, partially offset by \$10.2 million of net proceeds from the exercise of stock options and purchases under the employee stock purchase plan.

Material Cash Requirements

There were no material changes in our material cash requirements during the nine months ended September 30, 2024 from the obligations and commitments disclosed in our Annual Report on Form 10-K filed with the SEC on February 21, 2024. See “Note 11—Leases” and “Note 16—Commitments and Contingencies” of the Notes to Consolidated Financial Statements included in Part II, Item 8 of our Annual Report on Form 10-K, as well as “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources” included in Part II, Item 8 of our Annual Report on Form 10-K, for additional information regarding our material cash requirements.

Certain Non-GAAP Financial Measures

We report our financial results in accordance with accounting principles generally accepted in the United States, or GAAP. To supplement our financial statements, we provide investors with non-GAAP operating income and free cash flow, each of which is a non-GAAP financial measure, and certain key performance indicators, including GMV, GPV, net revenue retention, average revenue per unit, and active locations.

Management uses these non-GAAP financial measures and key performance indicators, 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.

We adjust our GAAP financial measures for the following items to calculate non-GAAP operating income and non-GAAP operating margin: 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). 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. Management believes 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.

Our use of non-GAAP financial measures and key performance indicators 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. Because our non-GAAP financial measures and key performance indicators are not calculated in accordance with GAAP, they may not necessarily be comparable to similarly titled measures employed by other companies.

Reconciliation of Non-GAAP Operating Income to GAAP Operating Loss

The following table presents a reconciliation of non-GAAP operating income to GAAP operating income (loss), the most directly comparable GAAP measure, for the following periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands, except percentages)				
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
Percentage of revenue:				
Operating margin, GAAP	(12)%	(28)%	(7)%	(33)%
Operating margin, non-GAAP	11 %	10 %	10 %	7 %

Reconciliation of Non-GAAP Free Cash Flow to Net Cash Provided by Operating Activities

The following table presents a reconciliation of free cash flow to net cash provided by operating activities, the most directly comparable GAAP measure, for each of the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
(in thousands)				
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)

Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations are based upon our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. The preparation of our condensed consolidated financial statements in accordance with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, equity, revenue, expenses, and related disclosures. We base our estimates on past experience and other assumptions that we believe are reasonable under the circumstances, and we evaluate these estimates on an ongoing basis. Actual results may differ from those estimates.

There have been no material changes to our critical accounting policies and estimates during the nine months ended September 30, 2024, as compared to those disclosed under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies" in our Annual Report on Form 10-K filed with the SEC on February 21, 2024.

Recent Accounting Pronouncements

See “Note 2—Significant Accounting Policies” to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for all recently issued standards impacting our condensed consolidated financial statements.

Item 3. *Quantitative and Qualitative Disclosures about Market Risk.*

We are exposed to market risks in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure to potential changes in interest rates. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure.

Interest Rate Risk

Our primary market risk exposure is changing interest rates in connection with our investments and the Second Amended and Restated Loan and Security Agreement with Pacific Western Bank (now known as Banc of California). Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors, and other factors beyond our control.

As of September 30, 2024, advances under the formula revolving line of the Second Amended and Restated Loan and Security Agreement bear interest equal to the greater of (A) the Prime Rate then in effect; or (B) 3.25%. As of September 30, 2024, advances under the term loans bear interest equal to the greater of (A) 0.25% above the Prime Rate then in effect; or (B) 3.50%. As of September 30, 2024, we had no outstanding borrowings under our credit facility.

Our interest-earning instruments also carry a degree of interest rate risk. Our cash and cash equivalents have a relatively short maturity, and are therefore relatively insensitive to interest rate changes. As of September 30, 2024, we had cash and cash equivalents of \$272.2 million. We invest in money market funds, U.S. and municipal government agency securities, corporate bonds and notes, certificates of deposit, and commercial paper. Our current investment policy seeks first to preserve principal, second to provide liquidity for our operating and capital needs, and third to maximize yield without putting our principal at risk. As of September 30, 2024, we invested \$142.2 million of our cash and cash equivalents in money market funds. We also invested \$119.7 million in other securities, of which \$77.5 million was classified as short-term. Because the majority of our investment portfolio is short-term in nature, we do not believe an immediate 10% increase in interest rates would have a material effect on the fair market value of our portfolio, and therefore we do not expect our results of operations or cash flows to be materially affected by a sudden change in market interest rates.

Foreign Currency Exchange Risks

Our revenue and costs are generally denominated in U.S. dollars and are not subject to foreign currency exchange risk. However, to the extent we commence generating revenue outside of the United States that is denominated in currencies other than the U.S. dollar, our results of operations could be impacted by changes in exchange rates. A hypothetical 10% strengthening or weakening in the value of the U.S. dollar relative to the foreign currencies in which our revenues and expenses are denominated would not result in a material impact to our condensed consolidated financial statements.

Inflation Risk

Inflation has remained at historically high levels in the U.S. and overseas, resulting in rising transportation, wages, and other costs. The primary inflation factors affecting our business are increased cost of labor and overhead costs. However, we do not believe that inflation has had a material effect on our business, results of operations, or financial condition. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, results of operations, and financial condition.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or Exchange Act), as of September 30, 2024. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of September 30, 2024, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized, and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the quarter ended September 30, 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings.*

A description of our legal proceedings is included in and incorporated by reference to “Note 10—Commitments and Contingencies” of the notes to our condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Item 1A. *Risk Factors.*

Investing in our securities involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Quarterly Report on Form 10-Q, including the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our condensed consolidated financial statements and related notes, as well as in our Annual Report on Form 10-K filed with the SEC on February 21, 2024 and our other filings with the SEC, before making any investment decision with respect to our securities. The risks and uncertainties described below and in our other filings with the SEC, including our Annual Report on Form 10-K filed with the SEC on February 21, 2024, may not be the only ones we face. If any of the risks actually occur, our business could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.

The following description includes risk factors associated with our business previously disclosed in Part I, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, filed with the SEC on May 7, 2024, our Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, filed with the SEC on July 31, 2024, and new risk factors and material changes to risk factors associated with our business previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed with the SEC on February 21, 2024, under the heading “Risk Factors.”

Legal, Regulatory, Compliance, and Reputational Risks

We and our third-party partners and service providers transmit and store personal information of our customers and guests. We anticipate that Olo, or our third-party partners and service providers, may be the target of future cybersecurity attacks which may result in personal information, confidential information, or credit card information being compromised or accessed without or beyond authorization, which could interrupt our business, result in our reputation being harmed, and expose us to liability and loss of business.

Our business involves the collection, transmission, and storage of the personal information and confidential information of our partners, our customers and their guests, and guests with whom we have a direct relationship. Cybersecurity incidents or data breaches can originate either externally, such as through our customers, our third-party partners, or service providers, or internally. There may in the future be successful attempts by third parties to obtain unauthorized access to the personal information of our partners, our customers, and guests. This information could also be exposed through human error, malfeasance, or otherwise. The unauthorized disclosure, unauthorized access, or compromise of this information could have an adverse effect on our business, financial condition, and results of operations. Even if such a cybersecurity incident or data breach does not arise out of our actions or inactions, or directly impact our business, the resulting guest concern arising from a customer, partner, or service provider cybersecurity incident or data breach could negatively affect our customers and our business.

We do not proactively monitor or control our customers’ content uploaded to our platform(s) or on our servers, or information made available through third-party integrations that our customers use in connection with our platform, which may include personal information or confidential information. We integrate with a number of third-party partners in order to meet our customers’ needs, and although we contractually require our customers to ensure the security of such partners, a cybersecurity incident or data breach of one of these providers could become negatively associated with our brand or our assistance in responding to such a breach could tie up our internal resources. Additionally, we use service providers to help deliver services to our customers and guests. These service providers may handle or store personal information, credit card information, or confidential information. By the nature of the integrations and the constantly evolving techniques used to obtain access, compromise, or interrupt the integrity of systems, we could get drawn into any resulting lawsuits. We are also subject to federal, state, provincial, and other laws regarding cybersecurity and data protection. Although we have taken measures to monitor and protect our systems within our control and ensure that those third parties which have access to our platform maintain adequate security, we cannot guarantee that these measures will protect our systems from a security incident in the

future. Some jurisdictions have enacted laws requiring companies to notify affected individuals or government agencies of data breaches involving certain types of personal information and our agreements with customers and partners require us to notify them in the event of certain security incidents. Additionally, an increasing number of jurisdictions, as well as our contracts with certain customers, require us to maintain industry-standard or reasonable measures to safeguard personal information or confidential information. This includes safeguards related to credit card information and sensitive authentication data which is transmitted through our platform. We are required by card networks and our contracts with payment processors to adhere to the Payment Card Industry Data Security Standards.

Our failure to comply with legal, regulatory or contractual requirements, and the rules of payment card networks' and self-regulatory organizations' cybersecurity or data protection requirements could lead to significant fines and penalties imposed by regulators and card networks, as well as claims by our customers, guests or other relevant stakeholders. These claims could force us to spend money in defense or settlement of these proceedings, result in the imposition of monetary liability or injunctive relief, divert management's time and attention, increase our costs of doing business, and materially adversely affect our reputation and the demand for our platform. In addition, if our security measures fail to protect personal information or confidential information, including payment information, adequately, we could be liable to our partners, our customers, and guests for their losses as well as for statutory damages. As a result, we could be subject to fines, face regulatory or other legal action, and our customers could lose their confidence with us, which all could negatively impact our business. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities or damages with respect to any particular claim. We also cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or be available in sufficient amounts to cover one or more large claims, or that our insurers will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases, or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our business and results of operations.

Payment transactions processed on our platform and through the Olo Pay module may subject us to regulatory requirements and the rules of payment card networks, and other risks that could be costly and difficult to comply with or could harm our business.

We began commercially offering Olo Pay in the first quarter of 2022. In connection with this offering, the payment card networks require us to comply with payment card network operating rules, including special operating rules that apply to us as a "payment service provider" that provides payment processing-related services to merchants and payment processors. The payment card networks set these network rules and they have discretion to interpret them and change them, including in ways that may limit our ability to offer Olo Pay. We have also agreed, via our contracts with our payment processing partners, to comply with certain contractual obligations in addition to the payment card network operating rules. Through our offering of Olo Pay, we have agreed to reimburse our payment processor partners for fines they are assessed by payment card networks as a result of any rule violations by us or our customers. We are also required to reimburse guests for chargebacks not funded by our customers. Any changes to or interpretations of the network rules that are inconsistent with the way we and the payment processors and customers currently operate may require us to make changes to our business that could be costly or difficult to implement. If we fail to make such changes or otherwise resolve the issue with the payment card networks, they could fine us, cancel or suspend our registration as a payment service provider, or prohibit us from processing payment cards on their networks, which could have an adverse effect on our business, financial condition, and operating results. In addition, violations of the network rules or any failure to maintain good standing with the payment processing partners and payment card networks as a payment service provider could impact our ability to facilitate payment card transactions on our platform, increase our costs, or otherwise harm our business. If we were unable to facilitate payment card transactions on our platform or were limited in our ability to do so, our business would be materially and adversely affected.

If we fail to comply with the rules and regulations adopted by the payment card networks, we could also be in breach of our contractual obligations to our payment processors, financial institutions, customers, or partners. Such failure to comply may subject us to fines, penalties, damages, higher transaction fees, and civil liability, and could eventually prevent us from processing or accepting payment cards or could lead to a loss of payment processor partners. In the event that we are found to be in violation of any of these legal or regulatory requirements, our business, financial condition, and results of operations could be harmed.

Currently, we substantially rely on a limited number of third-party payment processors to facilitate payments made by guests and payments made to customers through the Olo Pay module. While we may develop payment processing relationships with other payment processors, we expect to continue to rely on a limited number of payment processors for the foreseeable future. In the event that any of our third-party payment processors fail to maintain adequate levels of support, experience

interrupted operations, do not provide high quality service, increase the fees they charge us, discontinue their lines of business, terminate their contractual arrangements with us, or cease or reduce operations, we may suffer additional costs and be required to pursue new third-party relationships, which could materially disrupt our operations and our ability to provide our products and services, and could divert management's time and resources. In addition, such incidents could result in periods of time during which our platform cannot function properly, and therefore may not collect payments from customers and their guests, which could adversely affect our relationships with our customers and our business, reputation, brand, financial condition, and results of operations.

We believe the licensing and registration requirements of the Financial Crimes Enforcement Network and state agencies that regulate banks, money service businesses, money transmitters, and other providers of electronic commerce services do not apply to us. One or more governmental agencies may conclude that, under its statutes or regulations, we are engaged in activity requiring licensing or registration. In that event, we may be subject to monetary penalties and adverse publicity and may be required to cease doing business with residents of those jurisdictions until we obtain the requisite license or registration.

We have also recently become a payment facilitator. As a payment facilitator, we must comply with additional provisions of the payment card network operating rules and additional contractual obligations. In addition to the risks described above, being a payment facilitator means that we may be contractually required to assume more risk on behalf of our customers that use Olo Pay. Specifically, we may be contractually obligated to manage fraud costs to the extent they are facilitated by our customers through Olo Pay. In addition, we have implemented a process to evaluate the risk posed by potential losses, including but not limited to losses resulting from data security incidents, instances of fraud, and increased chargebacks by our customers and potential customers to minimize the risk of onboarding or supporting customers that pose elevated risk of such potential losses. We may be subject to liability from losses caused by such elevated risk customers. Failure to meet the obligations imposed on payment facilitators could adversely affect our customer relationships, business, reputation, brand, financial condition, and results of operations.

Employee Related Risks

If we cannot maintain our corporate culture as we grow, our success and our business and competitive position may be harmed.

We believe that a key contributor to our success to date has been our corporate culture, which is based on transparency, innovation, and entrepreneurial spirit. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. In June 2023 and September 2024, we announced workforce reductions impacting approximately 11% and 9% of our workforce, respectively, as part of our efforts to reorganize our business units to better focus our investments on customer needs and to support our long-term growth objectives, or Restructuring Plans. The workforce reductions may make it more difficult to preserve our company culture and may negatively impact employee morale. In addition, anticipated headcount growth and our policy permitting all of our employees, inclusive of those local to our New York City headquarters, to elect whether to work remotely or from the office may make it difficult to maintain important aspects of our culture. If we fail to maintain our corporate culture, or if we are unable to retain or hire key personnel, our business and competitive position may be harmed.

If we are unable to hire, retain, and motivate qualified personnel, our business may be adversely affected.

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel. Competition for certain of these personnel is substantial, especially for engineers experienced in designing and developing SaaS or on-demand digital commerce applications, products managers and designers, and experienced enterprise sales professionals.

Further, our ability to increase our customer base, especially among restaurant brands, small-to-medium businesses, potential international customers, and other customers we may pursue, or to achieve broader market acceptance of our platform will depend, in part, on our ability to effectively organize, focus, and train our sales, marketing, and customer success personnel.

Our ability to convince restaurant brands to use our platform or adopt additional modules will depend, in part, on our ability to attract and retain sales personnel with experience selling to large enterprises. We believe that there is significant competition for experienced sales professionals with the skills and technical knowledge that we require. Our ability to achieve revenue growth in the future will depend, in part, on our ability to recruit, train, and retain a sufficient number of experienced sales professionals, particularly those with experience selling to restaurant brands or large enterprises. In addition, even if we

are successful in hiring qualified sales personnel, new hires require significant training and experience before they achieve full productivity, particularly for sales efforts targeted at restaurant brands and new territories. Our recent hires and planned hires may not become as productive as quickly as we expect and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do business.

In the past we have experienced, and we expect to continue to experience, difficulty in hiring employees with appropriate qualifications. In many markets, competition for qualified individuals is substantial and we may be unable to identify and attract a sufficient number of individuals to meet our growing needs, especially in markets where our brand is less established. As a result, because we aim to hire top talent, we may be required to pay higher wages or provide increased levels of benefits. Our commitment to taking care of our team may cause us to incur higher labor costs compared to other technology companies. We also place a heavy emphasis on the qualification and training of our team members, and spend a significant amount of time and money training our team members. Any inability to recruit and retain qualified individuals may result in higher turnover and increased labor costs, and could compromise the quality of our service, all of which could adversely affect our business. Many of the companies with which we compete for experienced personnel have greater resources than we have. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached their legal obligations, resulting in additional costs and a diversion of our time and resources. The workforce reductions we have implemented as part of our Restructuring Plans may negatively impact our ability to attract, integrate, retain, and motivate highly qualified employees, and may harm our reputation with current or prospective employees. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. Capital markets have been volatile, which may cause the perceived value of our equity awards to decline and cause prospective employees to believe there is limited upside to the value of our equity awards, which would adversely affect our ability to recruit and retain key employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects could be harmed.

Risks Related to Ownership of Our Class A Common Stock

We may not realize the anticipated long-term stockholder value of our stock buyback programs, and any failure to repurchase our Class A common stock after we have announced our intention to do so may negatively impact our stock price. Share repurchases could also increase the volatility of our stock price and diminish our cash reserves.

We have authorized stock buyback programs in the past and may authorize other stock buyback programs in the future to repurchase shares of our Class A common stock. On April 30, 2024, the Board of Directors authorized the 2024 Buyback Program. Such repurchases may be made from time to time on a discretionary basis through open market repurchases, privately negotiated transactions, block purchases, or other means, and will be structured to occur in compliance with applicable securities laws. The 2024 Buyback Program does not have an expiration date or obligate us to repurchase any specific dollar amount or acquire any specific number of shares. Further, the 2024 Buyback Program may be modified, suspended or terminated at any time by the Board of Directors at its discretion.

Any failure to repurchase our Class A common stock after we have announced our intention to do so may negatively impact our reputation and investor confidence in us and may negatively impact our stock price.

The existence of our stock buyback programs could cause our stock price to trade higher than it otherwise would. Although the programs are intended to enhance long-term stockholder value, there is no assurance they will do so because the market price of our Class A common stock may decline below the levels at which we repurchased shares and short-term stock price fluctuations could reduce the effectiveness of the programs.

Repurchasing our Class A common stock will reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions, or business opportunities, and other general corporate purposes, and we may fail to realize the anticipated long-term stockholder value of our stock buyback programs. Furthermore, the timing and amount of any repurchases, if any, will be subject to liquidity, market and economic conditions, compliance with applicable legal requirements such as Delaware surplus and solvency tests, and other relevant factors.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**Unregistered Sales of Equity Securities**

None.

Issuer Purchases of Equity Securities

The following table provides information with respect to repurchases through the Stock Buyback Program of our Class A common stock during the periods indicated:

	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased under the Plans or Program (in thousands)⁽²⁾
July 1 - 31, 2024	—	\$ —	—	\$ 100,000
August 1 - 31, 2024	—	—	—	100,000
September 1 - 30, 2024	—	—	—	100,000
Total	—	—	—	100,000

(1) Average price paid per share excludes broker commission fees.

(2) On September 7, 2022, we announced a program to repurchase up to \$100 million of our Class A common stock, or the Stock Buyback Program. The Stock Buyback Program was completed as of June 30, 2024. On April 30, 2024, the Board of Directors authorized a program to repurchase up to \$100 million of our Class A common stock, or the 2024 Buyback Program. The 2024 Buyback Program has no expiration date and may be modified, suspended or terminated at any time by our Board of Directors at its discretion. We have not made any repurchases under the 2024 Buyback Program.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.**Rule 10b5-1 Trading Plans**

During the three months ended September 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or materially modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

Item 6. Exhibits.

The documents listed in the Exhibit Index of this Quarterly Report on Form 10-Q are incorporated by reference or are filed with this Quarterly Report on Form 10-Q, in each case as indicated therein.

EXHIBIT INDEX

Exhibit Number	Description	Filing Date
3.1	Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-40213) filed on March 22, 2021).	March 22, 2021
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Registrant's Form 8-K (File No. 001-40213) filed on June 26, 2024).	June 26, 2024
3.3	Amended and Restated Bylaws of the Registrant (incorporated by reference to Exhibit 3.2 to the Registrant's Form 8-K (File No. 001-40213) filed on March 22, 2021).	March 22, 2021
4.1	Form of Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 8, 2021).	March 8, 2021
10.1+	Amended and Restated Non-Employee Director Compensation Policy, dated July 31, 2024.	Filed herewith
31.1	Certification of the Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
31.2	Certification of the Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
32.1*	Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Furnished herewith
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	Filed herewith
101.SCH	Inline XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page with Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101).	

* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

+ Indicates management contract or compensatory plan.

OLO INC.

AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Approved by the Compensation Committee on July 31, 2024

Each member of the Board of Directors (the “**Board**”) of Olo Inc. (the “**Company**”) who is a non-employee director of the Company (each such member, a “**Non-Employee Director**”) will be eligible to receive the compensation described in this Amended and Restated Non-Employee Director Compensation Policy (the “**Policy**”) for his or her Board service. Unless otherwise defined herein, capitalized terms used in this Policy will have the meaning given to such terms in the Company’s 2021 Equity Incentive Plan (the “**Plan**”) or any successor equity incentive plan.

The Policy will be effective on and after the date set forth above (the “**Effective Date**”). The Policy may be amended at any time in the sole discretion of the Board or the Compensation Committee.

1. Annual Cash Compensation

Commencing with the first calendar quarter that begins following the Effective Date, each Non-Employee Director will be eligible to receive the following annual cash retainers for service on the Board and its standing committees (Audit, Compensation, and Nominating and Corporate Governance):

Annual Board Service Retainer:

- All Non-Employee Directors: \$35,000
- Chair or Lead Non-Employee Director (as applicable): \$72,500 (in lieu of above)

Annual Committee Member Service Retainer:

- Member of the Audit Committee: \$10,000
- Member of the Compensation Committee: \$7,000
- Member of the Nominating and Corporate Governance Committee: \$4,000

Annual Committee Chair Service Retainer (in lieu of Committee Member Service Retainer):

- Chair of the Audit Committee: \$20,000
- Chair of the Compensation Committee: \$15,000
- Chair of the Nominating and Corporate Governance Committee: \$8,000

The annual cash retainers above will be payable in equal quarterly installments in arrears on the first business day following the last day of each calendar quarter (each such date, a “**Retainer Accrual Date**”) in which the service occurred, prorated for any partial calendar quarter of service (based on the number of days served in the applicable position divided by the total number of days in the quarter). Any additional cash retainers for Board or committee service (e.g., for service on any ad hoc or other Board committee) must be approved by the Board or the Compensation Committee. All annual cash retainers will be vested upon payment.

2. Equity Compensation

Commencing on the Effective Date, each Non-Employee Director will be eligible to receive the equity compensation set forth below (as applicable) for service on the Board and its standing committees. Any additional equity compensation for Board or committee service (e.g., for service on any ad hoc or other Board committee) must be approved by the Board or the Compensation Committee. All equity compensation will be granted under the Plan or any successor equity incentive plan.

(a) Elections to Receive an Equity Grant in lieu of Quarterly Cash Retainer.

(i) Retainer Grant. Each Non-Employee Director may elect to convert all of his or her cash compensation for the first calendar quarter that commences after the Effective Date and any subsequent calendar quarter into an RSU Award (each, a “*Retainer Grant*”) in accordance with this Section 2(a) (such election, a “*Retainer Grant Election*”). If a Non-Employee Director timely makes a Retainer Grant Election pursuant to Section 2(a)(ii), on the applicable Retainer Accrual Date to which the Retainer Grant Election applies, and without any further action by the Board or Compensation Committee, such Non-Employee Director automatically will be granted an RSU Award covering a number of shares of the Company’s Class A Common Stock equal to (A) the aggregate amount of cash compensation otherwise payable to such Non-Employee Director on the Retainer Accrual Date to which the Retainer Grant Election applies divided by the average closing price of the Company’s Class A common stock on the New York Stock Exchange (rounded to the nearest hundredth) on the thirty (30) trading days immediately preceding, but not including, the Retainer Accrual Date. Each Retainer Grant will be fully vested on the applicable Retainer Accrual Date.

(ii) Election Mechanics. Each Retainer Grant Election must be submitted to the Company’s Chief Legal Officer in writing at least 10 business days in advance of the applicable Retainer Accrual Date, and subject to any other conditions specified by the Board or Compensation Committee. A Non-Employee Director may only make a Retainer Grant Election during a period in which the Company is not in a quarterly or special blackout period and the Non-Employee Director is not aware of any material non-public information. Once a Retainer Grant Election is properly submitted, it will be in effect for the next Retainer Accrual Date and will remain in effect for successive Retainer Accrual Dates unless and until the Non-Employee Director revokes it in accordance with Section 2(a)(iii) below. A Non-Employee Director who fails to make a timely Retainer Grant Election will not receive a Retainer Grant and instead will receive his or her cash compensation.

(iii) Revocation Mechanics. The revocation of any Retainer Grant Election must be submitted to the Company’s Chief Legal Officer in writing at least 10 business days in advance of the applicable Retainer Accrual Date, and subject to any other conditions specified by the Board or Compensation Committee. A Non-Employee Director may only revoke a Retainer Grant Election during a period in which the Company is not in a quarterly or special blackout period and the Non-Employee Director is not aware of any material non-public information. Once the revocation of the Retainer Grant Election is properly submitted, it will be in effect for the next Retainer Accrual Date and will remain in effect for successive Retainer Accrual Dates unless and until the Non-Employee Director makes a new Retainer Grant Election in accordance with Section 2(a)(ii).

(b) Automatic Equity Grants.

(i) Initial Grant for New Directors. Without any further action by the Board or Compensation Committee, each person who, after the Effective Date, is elected or appointed for the first time to be a Non-Employee Director will automatically, upon the date of his or her initial election or appointment to be a Non-Employee Director (or, if such date is not a business day, the first business day

thereafter), be granted an RSU Award covering a number of shares of the Company's Class A Common Stock equal to (A) \$355,000 divided by the average closing price of the Company's Class A common stock on the New York Stock Exchange (rounded to the nearest hundredth) on the thirty (30) trading days immediately preceding, but not including, the applicable grant date (each, an "**Initial Grant**"). Each Initial Grant will vest in a series of three successive equal annual installments over the three-year period measured from the applicable grant date, subject to the Non-Employee Director's Continuous Service through each applicable vesting date.

(ii) Delayed Grants for Incumbent Directors. Without further action by the Board or Compensation Committee, each person who served as a Non-Employee Director on March 16, 2021 (the "**IPO Date**") and who held one or more outstanding and unvested Company equity awards (including Class A or Class B Common Stock subject to a repurchase option resulting from an early option exercise) ("**Existing Equity Awards**") on the IPO Date will automatically be granted an RSU Award (each, a "**Delayed Incumbent Director Grant**") on the date immediately following the date that all of the Existing Equity Awards held by such Non-Employee Director have become fully vested (the "**Final Vesting Date**") (or, if such date is not a business day, the first business day thereafter). Each Delayed Incumbent Director Grant will cover a number of shares of the Company's Class A Common Stock equal to (A) \$175,000 multiplied by the fraction obtained by dividing (1) the total number of days following the Final Vesting Date through and including the next May 31 occurring after such Final Vesting Date by (2) 365 days, divided by (B) the closing sales price per share of the Company's Class A Common Stock on the applicable grant date, rounded down to the nearest whole share. Each Delayed Incumbent Director Grant will fully vest on the earlier of (A) the day immediately prior to the Company's next annual meeting of stockholders and (B) the next May 31 that occurs following the grant date of such Delayed Incumbent Director Grant, subject to the Non-Employee Director's Continuous Service through the vesting date.

(iii) Annual Grant. Without any further action by the Board or Compensation Committee, at the close of business on the date of each annual meeting of the stockholders of the Company following the Effective Date (each, an "**Annual Meeting**"), each person who (x) has served as a Non-Employee Director for the previous six months and (y) does not hold one or more outstanding and unvested Company equity awards (including Class A or Class B Common Stock subject to a repurchase option resulting from an early option exercise but excluding any Initial Grant) as of the Annual Meeting, will automatically be granted an RSU Award (each, an "**Annual Grant**") covering a number of shares of the Company's Class A Common Stock equal to (A) \$175,000 divided by the average closing price of the Company's Class A common stock on the New York Stock Exchange (rounded to the nearest hundredth) on the thirty (30) trading days immediately preceding, but not including, the Annual Meeting date. Each Annual Grant will fully vest on the earlier of (1) the first anniversary of the applicable grant date and (2) the day immediately prior to the date of the first Annual Meeting following the applicable grant date, subject to the Non-Employee Director's Continuous Service through the vesting date.

(c) Change in Control. Notwithstanding the foregoing, for each Non-Employee Director who remains in Continuous Service with the Company until immediately prior to the closing of a Change in Control, the shares subject to his or her then-outstanding equity awards that were granted pursuant to the Policy (and any Existing Equity Awards) will become fully vested immediately prior to the closing of such Change in Control.

(d) **Remaining Terms.** The remaining terms and conditions of each RSU Award will be as set forth in the Plan and the Company's standard RSU Award Grant Notice and RSU Award Agreement, in the form adopted from time to time by the Board or Compensation Committee.

3. Non-Employee Director Compensation Limit

Notwithstanding anything herein to the contrary, the cash compensation and equity compensation that each Non-Employee Director is eligible to receive under this Policy and otherwise as may be approved by the Board or Compensation Committee shall be subject to the limits set forth in Section 3(d) of the Plan.

4. Ability to Decline Compensation

A Non-Employee Director may decline all or any portion of his or her compensation by giving notice to the Company prior to the date cash is to be paid or equity awards are to be granted, as the case may be.

5. Expenses

The Company will reimburse each Non-Employee Director for ordinary, necessary and reasonable out-of-pocket travel expenses to cover in-person attendance at and participation in Board and committee meetings; provided, that the Non-Employee Director timely submits to the Company appropriate documentation substantiating such expenses in accordance with the Company's travel and expense policy, as in effect from time to time.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Noah Glass, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Olo Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
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Date: November 7, 2024

By: /s/ Noah H. Glass
Noah H. Glass
Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a), AS ADOPTED
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Peter Benevides, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Olo Inc.;
 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
 5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
-

Date: November 7, 2024

By: /s/ Peter Benevides

Peter Benevides

Chief Financial Officer

(Principal Financial and Accounting Officer)

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”) and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, Noah H. Glass, Chief Executive Officer of Olo Inc. (the “Company”), and Peter Benevides, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2024, to which this certification is attached as Exhibit 32.1 (the “Periodic Report”), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2024

/s/ Noah H. Glass

Noah H. Glass

Chief Executive Officer (Principal Executive Officer)

/s/ Peter Benevides

Peter Benevides

Chief Financial Officer (Principal Accounting and Financial Officer)

This certification accompanies the Quarterly Report on Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.