

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

**FORM 10-K**

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

For the fiscal year ended December 31, 2023

☐ **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)

99 Hudson Street

10th Floor

New York, NY 10013

(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

**Securities registered pursuant to Section 12(g) of the Act: None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant on June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$ 685.7 million based on the closing price of the registrant's Class A common stock as reported by the New York Stock Exchange on that date.

As of February 16, 2024, 107,004,479 shares of the registrant's Class A common stock and 54,891,834 shares of registrant's Class B common stock were outstanding.

#### **DOCUMENTS INCORPORATED BY REFERENCE**

Portions of the registrant's definitive proxy statement for its 2024 Annual Meeting of Stockholders, or Proxy Statement, to be filed within 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K, are incorporated by reference in Part III. Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement shall not be deemed to be filed as part hereof.

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**OLO INC.**

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## **SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K 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 Annual Report on Form 10-K, 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 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."
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You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report on Form 10-K 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 Annual Report on Form 10-K. While we believe that 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 in the section entitled “Risk Factors” and elsewhere in this Annual Report on Form 10-K. 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 Annual Report on Form 10-K. 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 Annual Report on Form 10-K 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 Annual Report on Form 10-K to reflect events or circumstances after the date of this Annual Report on Form 10-K 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 Annual Report on Form 10-K are our property. This Annual Report on Form 10-K 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.

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## RISK FACTOR SUMMARY

Our business operations are subject to numerous risks, factors, and uncertainties, including those outside of our control, that could cause our actual results to be harmed, including risks regarding the following:

### Operational Risks

- Our growth may not be sustainable and depends on our ability to attract new customers, retain revenue from existing customers, and increase sales to both new and existing customers.
- Our limited operating history with our modules in a new and developing market makes it difficult to evaluate our current business and future prospects, and may increase the risk that we will not be successful.
- Our business could be harmed if we fail to manage our growth effectively.
- We have made and may continue to make acquisitions or enter into joint ventures or other partnerships, which could divert management's attention, result in operating difficulties and dilution to our shareholders, and otherwise disrupt our operations and adversely affect our business, operating results, or financial position.
- Our future success depends in part on our ability to drive the adoption of our platform by international and small-to-medium business customers, and to expand into new, on-demand digital commerce verticals.

### Commercial Risks

- Our sales cycles can be long and unpredictable, and our sales efforts require considerable investment of time and expense. If our sales cycle continues to lengthen, we invest substantial resources pursuing unsuccessful sales opportunities, or our customers do not timely onboard and deploy our modules, our operating results and growth may be harmed.
- Our business depends on customers increasing their use of our platform, and any loss of customers or decline in their use of our platform could materially and adversely affect our business, results of operations, and financial condition.
- If we fail to continue to improve and enhance the functionality, performance, reliability, design, security, or scalability of our platform, including the utilization of evolving artificial intelligence, or AI, and machine learning technologies, in a manner that responds to our customers' evolving needs, our business may be adversely affected.
- We currently generate significant revenue from our largest restaurant customers, and the loss or decline in revenue from any of these customers could harm our business, results of operations, and financial condition.
- Our business is highly competitive. We may not be able to compete successfully against current and future competitors.

### Financial Risks

- We have a history of losses and we may be unable to achieve or sustain profitability.
- If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our Class A common stock.

### Risks Related to Our Reliance on Third Parties

- Our growth depends in part on the success of our strategic relationships with third parties and our ability to integrate with third-party applications and software.
- Our Dispatch module currently relies on a limited number of delivery service providers.
- Our Rails module currently relies on a limited number of aggregators.

### Legal, Regulatory, Compliance, and Reputational Risks

- Security breaches, denial of service attacks or other hacking and phishing attacks on our systems, or the systems with which our platform integrates, could harm our reputation or subject us to significant liability and adversely affect our business and financial results.
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- We may be subject to claims by third parties of intellectual property infringement.

#### **Employee Related Risks**

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

#### **Industry Risks**

- Unfavorable conditions in our industry or the global economy, or reductions in digital ordering transaction volume or technology spending, have in the past and could in the future adversely impact the health of our customers, limit our ability to grow our business and negatively affect our results of operations.

#### **Risks Related to Ownership of Our Class A Common Stock**

- We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price and the value of your investment could decline.
  - The dual-class structure of our common stock has the effect of concentrating voting control with our Class B stockholders, including our executive officers, directors, and their affiliates, which will limit your ability to influence the outcome of important transactions and to influence corporate governance matters, such as electing directors, and to approve material mergers, acquisitions, or other business combination transactions that may not be aligned with your interests.
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## BUSINESS

### 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 December 31, 2023, our customer base included approximately 700 restaurant brands, representing approximately 80,000 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 the NPD Group.

Our open SaaS platform is purpose-built to meet these complex needs 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 customer 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.

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. We have never experienced a material breach of customer or guest data. Our open SaaS platform integrates with over 300 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 approximated 120% for the three months ended December 31, 2023. See the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in Part II, Item 7 of this Annual Report on Form 10-K 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 includes revenue generated primarily 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. For the years ended December 31, 2023, 2022, and 2021, 44.7%, 50.9%, and 46.4% of our platform revenue was subscription revenue, respectively, and 55.3%, 49.1%, and 53.6% was transaction revenue, respectively.

#### **Other Business and Macroeconomic Conditions**

Our business is susceptible to changes in the global economy and industry dynamics. In 2023, we saw heightened economic uncertainty, particularly in the United States, inflationary pressures, interest rate changes, and geopolitical events. Inflation and rising food and labor costs prompted some businesses in the restaurant, food, and delivery sectors to raise prices, which led to lower guest traffic and average order size. Additionally, as a result of customer resource constraints, we experienced longer-than-expected implementation cycles. We can provide no assurance whether, or to what extent, global economic and industry dynamics impacting menu prices and customer resources will occur in 2024, or at all.

#### **Our Platform and Products**

The Olo platform provides restaurant brands with the capabilities necessary to develop, provision, and operate best-in-class, scalable digital ordering and delivery services, digital payment programs, and guest data and marketing capabilities. Our platform provides digital order processing, in-restaurant order management, delivery enablement, digital channel management, a payment solution suitable for enterprise, multi-location brands regardless of service model, food type, and scale of operations, and guest engagement features. We designed our transactional SaaS business model to align with our customers' success, as it includes both subscription and transaction-based revenue streams.

Our modular platform includes three product suites: Order, Pay, and Engage, which are summarized below. We believe that brands using all three suites can generate a data "flywheel" that can help them increase sales and guest LTV. More Order transactions generate more Pay volume and additional guest data. More guest data enables Engage to power targeted marketing campaigns, driving Order and Pay transactions and increasing guest LTV.

**Order.** *A suite of solutions powering restaurant brands' on-demand commerce operations, enabling digital ordering, delivery, and channel management. Modules within the Order suite include:*

**Ordering Module.** Our Ordering module enables restaurants to provide seamless, fully-branded digital ordering programs to their guests, and to process, manage, and integrate digital orders from direct and indirect channels into the restaurants' other legacy systems. The key capabilities include:

*Create Customized Ordering Channels*

- White-label native mobile applications (iOS and Android), web, phone-in-order-taking applications, and other digital channels that are customizable to reflect elements of a brand's identity (Olo Serve).
- User-interface APIs facilitate the development of rich, fully custom guest experiences across digital channels, such as mobile apps, kiosks, interactive voice applications, and other digital channels.

*Manage Complex Menus*

- Store and host discrete versions of the restaurant's menus that include guest-friendly descriptions and high resolution menu item images intended to be compliant with the Americans with Disabilities Act.
- Synchronize and manage menu item availability, ingredient modifier availability, and prices on a per-location basis, including limited-time or regional offers, out-of-stock items or modifiers, and prices, with integrations between established POS and menu management systems.

*Process and Monitor Orders and Restaurant Operations*

- Transmit orders to the restaurant for preparation and order fulfillment via integrations to established in-restaurant systems, including POS, menu management systems, and kitchen display systems, or KDS.
- Establish and implement distinct ordering rules and limitations for each order type, including by setting minimum and maximum order size, or by establishing menu item availability for given meal occasions (individual meals, catering), dayparts (breakfast, lunch, dinner), and handoff methods (drive-thru, delivery, in-restaurant pick-up, curbside pick-up, dine-in), on a brand-wide or per-location basis.
- Complete ordering functionality for commercial food preparation kitchens and virtual branded concepts with no retail dining space.
- Provide easy-to-navigate in-restaurant order management via Expo, our tablet-friendly web application intended for use by restaurant staff, which offers visibility into past, current, and upcoming digital orders and handoff methods from all direct and indirect digital channels, and highlights time-sensitive tasks.
- Utilize permission-based administration tools and reporting to both brand management and in-restaurant staff via the Olo Dashboard.

*Enhance Guest Engagement and Build Brand Loyalty*

- Create and manage one-time and multi-use promotions via the Olo Coupon Manager, which empowers restaurants to create compelling promotional offers, build brand loyalty, increase guest engagement, and encourage repeat business.
- Retrieve, apply, and integrate with established guest loyalty and rewards platforms.
- Transmit guest and transaction details to established loyalty and customer relationship management, or CRM, platforms via system integration, API integration, or webhooks.

**Rails Module.** Our Rails module is a network aggregator and channel management solution, allowing restaurants to control and syndicate menu, pricing, location data, and availability, while directly integrating and optimizing orders from third-parties into the restaurants' POS system. The key capabilities include:

- Syndicate real-time menu, item availability, price, and location attributes to marketplace and channel partners via a robust API integration on a brand-wide or per-location basis.
- Transmit marketplace orders via APIs to our Ordering module, and subsequently to all relevant in-restaurant systems such as POS and KDS.
- Fully integrate ordering partners into the Olo platform, without significant infrastructure and personnel investment.
- Eliminate the need for standalone order management tablets by direct API integrations.
- Provide permission-based administration tools and consolidated marketplace sales reporting to both brand management and in-restaurant staff via the Olo Dashboard.

**Dispatch Module.** Our Dispatch module is a national fulfillment solution that enables delivery directly from the restaurant's digital ordering program channels. The module allows restaurants to offer, manage, and expand direct delivery providers while optimizing price, timing, and service quality through a network of third-party DSPs and a brand's own delivery couriers, if available. The key capabilities include:

*Enable Delivery*

- Integrate with a nationwide network of third-party DSPs that are operationalized together on a single software platform, in some cases offering up to eight different delivery providers per market and covering 99.8% of our customers' U.S. store locations, with 96.1% of our customer locations covered by two or more DSPs, offering freedom of choice and coverage.
- Evaluate and select a DSP for each order in real time using a number of different criteria, including time, cost or level of service, either on a brand-wide or per-location basis. With this flexibility, brands are able to partially or wholly subsidize the cost of delivery to the guest.
- Apply preference to specific DSPs and exclude specific DSPs from participating on a brand-wide or per-location basis.

*Manage and Optimize Delivery Logistics*

- Include seamless integration with our Ordering module and APIs that allow for full integration to any third-party ordering platform, including direct integration to in-restaurant POS systems.
- Coordinate the arrival of a DSP or internal delivery personnel with the estimated time an order will be available for pick-up in-restaurant to work to ensure food is of the highest quality by the time it reaches the guest.
- Monitor and communicate status of en-route deliveries through to completion and provide alerts regarding status changes.
- Provide activity reports and consolidated billing for all deliveries with tools to resolve and adjust billing for unsatisfactory or canceled deliveries on a brand-wide or per-location basis.
- Offer comprehensive tools for DSPs, allowing them to create their own delivery areas, optimize their participation by geography, time, and pricing, and expand demand and additional delivery trips for their drivers.

## **Order Suite Add-On Modules**

**Switchboard Module.** Our Switchboard module centralizes inbound phone orders, enabling call center and in-house staff to seamlessly process phone orders, fully integrating into the restaurant brands' POS systems. Customers with the Ordering module may utilize Switchboard as an add-on module.

**Network Module.** Our Network module expands restaurant brands' reach and drives more direct orders from other platforms (e.g., Order with Google, which enables restaurants to fulfill orders directly through Google Search results and Google Maps pages). Customers with the Ordering and/or Rails modules may utilize Network as an add-on module.

**Virtual Brands Module.** Our Virtual Brands module enables a pick-up and delivery service model that allows restaurant brands to leverage their operations to maximize revenue per square foot. Use cases include launching new restaurant concepts in the brand's existing brick-and-mortar footprint and testing new menu items without retail overhead. Customers with the Ordering and/or Rails modules may utilize Virtual Brands as an add-on module.

**Kiosk Module.** Our Kiosk module enables restaurants to create a digital interface optimized for a physical device to be used in restaurants, allowing a guest to place an order autonomously. Customers with the Ordering module are able to utilize Kiosk as an add-on module.

**Catering Module.** Our Catering module enables restaurant brands to offer a standalone and separate ordering channel for large order fulfillment with menu separation and separate business hours to enable large order fulfillment. Catering also enables restaurant brands to extend a line of credit to their high-value customers as well as authenticate tax-exempt status for guests, and apply appropriate pricing and complete catering orders for tax-exempt organizations. Customers with the Ordering and/or Rails modules are able to utilize Catering as an add-on module.

**Sync Module.** Our Sync module is a simplified local listings management product, which enables restaurants to provide up-to-date data that is automatically synced between Olo and more than 50 digital publishers to help ensure store information is consistent no matter where guests search. Customers with the Ordering, Dispatch, and/or Rails modules are able to utilize Sync as an add-on module.

***Pay.*** *A fully integrated, frictionless payment platform, enabling restaurants to grow and protect restaurant brands' digital business through an improved customer payment experience, offering advanced fraud prevention designed to improve authorization rates for valid transactions, and increase basket conversion.*

**Olo Pay Module.** Our Olo Pay module is a modern payment solution, purpose-built for restaurants. The Olo Pay module simplifies restaurant payments, growing and protecting restaurants' digital business, driving direct digital sales, preventing fraud, and streamlining day-to-day payment processes. The key capabilities include:

### *Simplifying Payments*

- Integrated reporting for reconciliation via the Olo Dashboard.
- Provides Payment Card Industry reporting on behalf of brands for all transactions processed via Olo Pay.

### *Driving Sales*

- Optimized with authorization rates in mind, with an automatic retry feature called adaptive acceptance that leverages machine learning to determine when a transaction should be retried to get an approval.
- Frictionless and simple checkout to drive guests to return.
- Increase basket conversion rates through offering payment options such as mobile wallets and cards-on-file, usable across all brand locations.

### *Powerful Fraud Prevention*

- Advanced fraud prevention designed to improve authorization rates for valid transactions and uses risk-score-based screenings to automatically reject suspect transactions.
- Uses a wide range of fraud signals and machine learning capabilities to analyze each transaction to identify risky orders while reducing false positives.
- Leverages fraud data across all of a brand's stores, other Olo restaurants, and the entire network of stores using this fraud prevention tool, which includes millions of merchants.

Olo Pay is currently available to brands and locations utilizing Olo's Ordering module.

**Borderless.** Borderless is a password-less, secure, and convenient checkout solution for the hospitality industry. Borderless enables guests to expedite their checkout process at any participating restaurant location within the Olo Borderless network.

When completing a digital order at any Borderless-enabled brand for the first time, guests are given the option to check a box on the screen that creates a Borderless guest account and saves their contact and payment details on file. Once the order is placed, Olo then sends a confirmation email to the guest which provides details on how they can check out without a password at all brands in the Borderless network. When a guest visits a Borderless-enabled brand in the future, Borderless will recognize their email address before checkout and send the guest a six-digit code to their phone for input to complete the expedited checkout process.

**Engage.** *A suite of restaurant-centric data, marketing, and sentiment solutions optimizing guest LTV by further strengthening and enhancing the restaurants' direct guest relationships. Modules within the Engage suite include:*

**Guest Data Platform Module.** Our GDP module is purpose-built for restaurants, collecting, and analyzing guest data that restaurants can use to power decisions, campaigns, and growth from one centralized hub. The key capabilities include:

- Purpose-built for restaurants to aggregate guest data from dozens of sources to create a unified view of behavior and spend across sales channels.
- Disseminates guest data to end platforms that power business decisions, actions, and ultimately brand growth such as culinary, operations, marketing, and finance.

**Marketing Module.** Our Marketing module provides personalized guest engagement through an all-in-one marketing engine. With the Marketing module, restaurant brands have the power to manage guest data via CRM, personalize communications, and automatically target guests with tailored messaging to drive repeat visits and to deepen relationships, unlocking business insights such as LTV at scale. The key capabilities include:

- All-in-one CRM built to capture guest interactions with a restaurant brand and trigger mass and automated email and SMS campaigns that boost guest frequency, spend, and LTV.
- Advanced segmentation produces insights that can be leveraged for campaign targeting on any channel.

**Sentiment Module.** Our Sentiment module is a guest feedback management solution, allowing restaurants to engage with real-time reviews from multiple sources and spot trends before they impact sales. The key capabilities include:

- Aggregates third-party reviews and direct feedback surveys into one platform used to reply to guests and track satisfaction trends over time.
- Reporting allows restaurants to proactively address a dip in sentiment overall or by specific category (e.g., food, service), which can be a leading indicator of sales.

**Host Module.** Our Host module is a front-of-house solution, enabling restaurants to streamline the queue orders from multiple sales channels, optimize seat utilization in the dining room, and increase the flow-through of reservation and waitlist parties. The key capabilities include:

- Direct to guest, location-specific reservations and waitlists.
- Wait quote algorithms that leverage machine learning to improve quote accuracy over time, ultimately boosting on-premise guest conversion rates.
- Integrations with POS and our Ordering module to enable efficient management of both the dining room and queue of online orders.
- Two-way text communication with dine-in guests and those who order for pick-up.
- Automated actions that free up hosts to engage with guests and increase operational efficiency.

## Our Technology

Our managed multi-tenant, multi-partner open SaaS platform is designed to provide our customers with enterprise-grade security, reliability, scalability, and performance. Because we have historically integrated with disparate and fragmented technology providers, we have invested significant development resources into connecting a variety of systems using APIs and other solutions. By sharing infrastructure and code across our customer base, we believe we will be able to further leverage our technology and technical infrastructure investment. The key components of our technology platform include:

- **Enterprise-grade security.** Our customers trust our platform with their most sensitive guest and business data and many have run security assessments of our platform to verify that it has robust security capable of protecting their guest data. We also employ in-house Blue and Red Security Teams that monitor the platform, testing for and addressing vulnerabilities. Our technology also incorporates privacy-safe practices and tools as an integral and foundational part of our platform's approach. We aim to embed privacy best practices into our systems and infrastructure.
- **Platform reliability and resilience.** Our platform includes fault-tolerant cloud-based servers and aims to ensure that our platform is highly reliable. Features are equipped with metrics and logging to provide visibility into operations, with alerts configured to automatically notify our 24/7 on-call rotation in the event of a problem. We utilize peer reviews, automated tests, feature flags, game days, and other quality assurance measures. Continuous integration, frequent releases, and infrastructure as code are designed to optimize for efficient deployment. We are also SOC 1, Type 2 and SOC 2, Type 2 compliant.
- **Scalable architecture.** We designed the components of our platform to scale for high transaction volumes. We use Amazon Web Services', or AWS's, cloud infrastructure, which we autoscale in order to minimize the risk of outages from surges in traffic. If required, we can also increase our platform's capacity with AWS. Multiple layers of caching are leveraged to reduce load on downstream components and improve performance. We use a content delivery network to serve content and data quickly from various geographical points to our customers and their guests. We build and extract features as modular services to align with the engineering teams that maintain them, and these services are scaled independently on their own infrastructure. Where possible, we use event-driven, asynchronous workflows to offload work to background services. Our system undergoes regular automated load tests. The Olo platform is a "single bench" software, which enables all our brands to be on the latest version of our products. This means that our product development teams are not maintaining older versions of the software and our software development lifecycle allows us to quickly distribute software as soon as it is ready. The open architecture is supported by end-to-end automation and test suites.
- **Focus on the restaurant ecosystem allows extensive integrations.** To enable our customers to work with their providers of choice, we designed our platform to integrate with multiple POS providers, loyalty programs, payment processors, front-end developers, aggregators, and DSPs. Our platform allows our customers to integrate their systems using our APIs, webhooks, and other specifications. We have published a POS API and loyalty API specifications that have been adopted by many POS and loyalty providers, respectively. We use both cloud-based APIs and, where necessary, older in-store agent-based technologies.

In-store agent software uses our proprietary real-time protocol, which can operate over low-bandwidth connections and does not require restaurants to open incoming firewall ports. Customers may also use our fully managed, white-label web and mobile ordering module, or they may build more tailored front-ends on our APIs. In some circumstances, a restaurant customer may decide it would like to add additional functionality or a new provider to our platform, and in those circumstances our development support team may assist in integrating a new provider or technology component.

Our open SaaS platform is built with an extensible mindset. Our products offer restaurant brands a highly customizable white-label ordering application and the flexibility to integrate with a variety of third party partners. Our customers can easily extend using our open APIs which can be accessed through a development portal. A development support team assists with facilitating extensions, integrations, and certifications. Large enterprise brands have used our open ecosystem with the flexibility of our software to build differentiating experiences for their guests using our APIs.

## **Our Customers**

As of December 31, 2023, our customer base included approximately 700 restaurant brands, representing approximately 80,000 active locations nationwide, across all service models of the industry, including quick service, fast casual, casual dining, family dining, and coffee and snack food. We categorize our customers into two groups: Enterprise, or customers with 100 or more locations, and Emerging Enterprise, customers with 5-99 locations with growth aspirations. In every customer relationship, we strive to be the exclusive provider of SaaS solutions that power their digital ordering, delivery, and payment programs and enable them to collect, analyze, and act on data to drive more meaningful guest experiences. We sell into the brand's corporate level, and aim to achieve 100% deployment across the brand's franchisee locations. Our contracts typically have initial terms of three years or longer, with continuous one-to-two year automatic renewal periods, providing visibility into our forward performance.

## **Sales and Marketing**

Our sales team is organized into five groups: Enterprise, Emerging Enterprise, Sales Engineering, Sales Enablement, and Revenue Operations. The Enterprise and Emerging Enterprise sales teams actively pursue leads and help take prospective customers through an evaluation and purchase process. We sell our solution primarily to C-level executives at the restaurant brands that make decisions on behalf of all locations. The sales teams also identify cross-sell opportunities among our current customer base, particularly focused on Pay, Engage, and newly launched features. Our Sales Engineering team supports our sellers and prospects with education and exploration of highly technical integrated solutions and in-depth product demos. Our Sales Enablement and Revenue Operations functions provide go-to-market training for new sellers and support ongoing skill-building and analytics for the broader go-to-market team.

Our customer experience team is organized into five groups: Implementation, Customer Success, Operations, Professional Services, and Support. Our implementation team oversees all aspects of a customer's deployment, consisting of project managers and dedicated specialists who provide technical expertise to our customers. The customer success team manages the relationships with our deployed customers, serving as the day-to-day contacts that help them grow their businesses throughout their lifecycle with Olo. Our customer success managers monitor sentiment and program performance to confirm that customers are receiving value in order to drive long-term retention. Additionally, they partner with our sales team to grow relationships over time through increased usage of our platform and the adoption of additional modules. The operations team uses analytics and programs to drive efficiency and scale across the customer experience team. Our professional services and support teams work with customers to provide additional value-added services and address technical and billing inquiries, respectively.

Our marketing team is organized into five functions: Brand Marketing & Communications, Product Marketing, Performance Marketing, Content & Creative, and Measurement & Insights. We focus our marketing efforts on building brand awareness, reputation, and consideration, generating pipeline, inspiring, informing, and commercializing our product, as well as supporting the broader go-to-market team. We use a robust list of channels and tactics including public relations, thought leadership, search engine optimization, paid search, earned and paid social media, account-based marketing, voice of customer programs, and events—own and industry—to generate our pipeline.

Our business development team is organized into three functions: Partner Ecosystem, Product Partnerships that support Dispatch, Rails, and Network, and Strategic Alliances. We focus our business development efforts on expanding our market influence, nurturing relationships within our partner ecosystem, advising on product enhancements, and boosting

revenue within our partnership landscape. The team employs a strategic approach to partnership development, evaluating opportunities and prioritizing those that deliver value to the business and our customers.

## **Research and Development**

Our research and development, or R&D, teams focus development efforts on new product innovation, integrating our various product offerings and adding new functionality to existing solutions, thereby enhancing the operability of our modules across our platform and other systems. We are building infrastructure and products that power restaurants with a commerce engine, to help them scale their digital businesses. R&D is currently focused on product management, product development, product design and user experience research, and data science and engineering to simplify user experiences for brands, helping them reach higher volumes and margins.

We invest in developing tools that make it easier for partners and brands to build on and extend Olo's APIs. We continue to deepen the capabilities of our current products by seeking to release new innovations on a quarterly basis. As a result, we deliver packaged, highly configurable solutions with increasing functionality.

Although not currently a significant part of our business, artificial intelligence and machine learning are increasingly informing improvements to our product features. Data analytics and machine learning are increasingly informing improvements to our product features. Our team of internal and external data science advisors informs our product strategies by creating algorithms to solve complex optimization challenges and delivering meaningful, actionable insights for brands and their guests. We develop machine learning and data science algorithms with critical safeguards in place to ensure privacy, security, and compliance.

Our platform engineering teams are working towards an owner-operator model, enabling product teams to move faster with self-service tooling, observability, operational support, scaling, security, and reliability. The engineering teams also work to enhance the stability, security, and scale of the customer environments. A strong focus on cost optimizations as we scale has been another important goal for this group.

Our product and design teams continue to invest in product discovery and user research that helps form new ideas and innovation through customer conversations and developing a deeper understanding of customer pain points.

## **Human Capital Resources**

Our culture is driven by our employees' passion, trustworthiness, and relentless drive to improve. Our employees are the backbone of our success. As of December 31, 2023, we had 683 employees operating across the United States. We have a history of being a "remote first" workplace with approximately 85% of our employees working remotely as of January 25, 2024. We are proud of our remote distributed work culture, and we have a concerted focus on fostering culture and community across all of Team Olo. We work hard to make sure that all employees, including those working remotely, are fully engaged with the company and their respective teams.

We believe that we are well-equipped to continue to support fully remote work without disruption to our business. None of our employees are represented by a labor union with respect to their employment. We have not experienced any work stoppages, and we consider our relations with our employees to be strong.

### **Diversity, Equity, and Inclusion**

We are committed to building a diverse and inclusive culture that promotes growth and equity for underrepresented groups and supports and celebrates diverse voices and perspectives. As a part of our focus on Environmental, Social, and Governance, or ESG, which includes Diversity, Equity, and Inclusion, or DEI, we publicly share our diversity demographics as well as our DEI strategy and goals on our corporate website. We are committed to increasing our population of women employees and those who identify as members of underrepresented groups. We announced our goal to have 42% of our workforce made up of women, and 18% of our workforce made up of underrepresented ethnicities by the end of 2024. We achieved our goal a year early. As of December 31, 2023, Olo employees were 57.7% male, 42.3% female, 0.9% non-binary, and 18.4% underrepresented ethnicities. We are also growing our efforts to focus on members of the LGBTQ+ community, people living with disabilities, and veterans. Our diversity demographics and DEI goals may be viewed at [www.olo.com/dei](http://www.olo.com/dei).

We foster a culture where we value, respect, and provide fair treatment and equal opportunities for all of our employees. By recognizing and celebrating our differences, we aim to cultivate an environment that is the right fit for all. To



that end, we support employee-resource groups, or ERGs, which are aimed at fostering a diverse, equitable, and inclusive workplace. We currently have seven ERGs: Olo Pride (LGBTQ+), Olo Green (Eco-conscious), Oloites of Color, Olo Women's Network, Vets@Olo, Women in Tech, and Olo Parents.

In 2023, we estimate that we have increased participation in our diversity mentorship program, Olo Ties, by approximately 54%. We did this by expanding the program beyond a focus on women and people of color to address the need for mentorship for employees with disabilities, non-binary employees, LGBTQ+ employees, and veterans.

As part of our annual talent management cycle, in alignment with our commitment to Equity, we perform a company-wide calibration process. We utilize this calibration process to ensure leaders across the company are using consistent standards in assessing performance, ensuring fairness, and minimizing bias across and within teams. Calibrations also allow us to better monitor the advancement and upward mobility of underrepresented groups.

### **Rewards and Wellness**

We offer high-quality benefits, wellness initiatives, and a competitive compensation package designed to attract new employees and to retain, motivate, and reward current employees. Our compensation philosophy consists of two pillars: market competitiveness and peer equity. We believe that our compensation is fair for all employees, regardless of classifications, such as race and gender. We work to reduce unconscious bias in our hiring practices, performance reviews, and promotion opportunities, and routinely run a rigorous compensation analysis taking into account factors that impact pay, like role, level, location, and performance.

We offer all full-time employees equity at hire, as well as provide an employee stock purchase plan, to foster a strong sense of ownership and engage our employees in being committed to our long-term success.

Our Benefits package is available to all employees working 25+ hours per week and includes competitive health, dental, vision, and disability insurance as well as mental health support and holiday pay.

### **Employee Engagement**

Every year we undertake a robust employee engagement survey, and we benchmark the responses we receive against the prior year's survey and against a peer set of technology companies. We take our employees' feedback seriously, and we have assessed and optimized many of our practices over time based on the feedback we received through our employee engagement survey. As we grow and scale our business and employee base, we will continue to make investments in the training and development of our employees, including leadership development, mentorship programs, skills development, on-the-job-training, and DEI programs.

### **Learning and Development**

Our learning and development function offers experiences focused on onboarding, management, leadership, and functional-technical, product, and soft-skills development. It also includes a benefit that allows employees to have access to an individualized stipend to support the customized development suitable for each individual's goals and needs.

In 2023, we expanded our manager development offerings to include a development program called GROW | Olo's Leadership Development Program; a 7-month cohort-based program aimed at growing the leader, their team, and Olo. We believe this program has been successful in accelerating the pace of early-mid career leader development and will continue to be a foundational offering to help us scale.

We also continued building out our robust product training for our Go To Market teams, focusing on our Engage suite. Other programmatic work included enhanced efforts dedicated to providing better on-the-job training for Customer Support Onboarding, Project Management, and Dispatch team members.

### **Environmental Sustainability**

We recognize the risks associated with a changing climate and acknowledge the impact our business has on the environment. Through grassroots efforts and company-wide initiatives, we are taking steps to reduce our environmental impact. This includes tracking our greenhouse gas emissions, implementing sustainable office initiatives, donating to environmentally-focused nonprofits, and engaging employees through our Olo Green ERG.

We are exploring opportunities to lessen the environmental impact in our value chain by way of our platform. Managing both food waste and guest packaging waste is critical in the restaurant industry. For example, in response to California regulatory developments on single-use plasticware, we rolled out an 'opt-out' feature that our restaurant brands can choose to offer their guests. We will look to expand this work in the coming years.

### **Social Responsibility and Community Initiatives**

As part of launching Olo for Good in 2021, we joined Pledge 1%, committing 1% of our fully diluted equity outstanding as of immediately prior to our initial public offering, 1% of our product, and 1% of employee time to social responsibility initiatives. This pledge strengthens our commitment to the communities in which we live, work, and serve by integrating social responsibility and impact into our business.

Olo for Good will continue to leverage our time, product, and equity to support non-profit organizations aligned with our mission and values, including those focused on:

- Advancing all aspects of diversity, equity, and inclusion;
- Providing relief and support for the restaurant industry and its front-line workers;
- Ending childhood hunger and increasing access to food; and
- Promoting an approach which protects natural resources and reduces waste and emissions.

The Olo for Good initiative includes a donor-advised fund created through our independent donor-advised fund sponsor, Tides Foundation. In March 2021, our Board of Directors approved the issuance of 1,729,189 shares of our Class A common stock for Olo for Good. We expect to donate 1/10th of the total shares approved into the fund annually. Upon the exercise and sale of these shares, we intend to recommend Tides Foundation to donate the proceeds from such sale in accordance with our direction.

Since 2021, Olo for Good's annual grant cycle has awarded more than \$8.2 million to 16 different non-profit organizations through its donor-advised fund partner, Tides Foundation.

In 2023, Olo for Good recommended six non-profits to Tides Foundation to receive grants. Tides Foundation subsequently donated a total of \$1.25 million in grants to American Farmland Trust, Appalachian Trail Conservancy, Emma's Torch, Giving Kitchen, Heart of Dinner, and Partnership with Native Americans. In addition, through Tides Foundation, Olo for Good also provided \$90,000 in strategic grants to 13 non-profit organizations in response to various social justice issues and natural disasters. Recipients of these strategic grants include the ACLU, Trevor Project, Northeast Organic Farming Association of Vermont, American Red Cross, International Committee of the Red Cross, Kids in Need of Defense, Maui Food Bank, Everytown for Gun Safety, Girls Who Code, Organic Farmers Association, and Chow Corp.

Under our gift-matching policy, we match contributions made by our employees to non-profit organizations of up to \$500 per employee per calendar year. We believe that building a sustainable program for charitable donations fosters employee morale and engagement, enhances our community presence, and further aligns us with the restaurant industry. We also have a volunteer time off, or VTO, policy to support volunteer activities that enhance and serve the communities in which we live and work. We believe creating community engagement opportunities that are meaningful, purposeful, and help those in need is important to enriching and inspiring the lives of our employees and improving our communities. Our VTO policy allows full-time employees to volunteer up to eight hours per calendar year with a 501(c)(3) non-profit organization.

### **Our Competition**

The markets in which we compete are competitive and evolving rapidly. Our platform combines functionality from numerous product categories, and we therefore compete in each of these categories:

- with respect to white-label digital ordering solution providers, we primarily compete with companies such as Paytronix Systems, Inc., Tillster, Inc., and Lunchbox Technologies, Inc.;

- with respect to restaurant-focused POS platforms that offer digital ordering solutions in the Enterprise space we primarily compete companies such as with NCR Voyix Corporation, PAR Technology Corporation, QU POS Inc., and Xenial, Inc.;
- with respect to restaurant-focused POS platforms that offer digital ordering solutions in the Emerging Enterprise space, we primarily compete with Toast Inc., Square from Block, Inc., and Revel Systems, Inc.;
- with respect to aggregators that provide direct digital ordering solutions, we compete with companies such as Grubhub from Just Eat Takeaway.com N.V., DoorDash, Inc., and Uber Eats from Uber Technologies, Inc.;
- with respect to third party aggregators, we compete with companies such as Checkmate.com Inc. and Deliverect Inc.;
- with respect to custom software, developed internally by restaurants or in partnership with consultancies and enterprise software providers, we primarily compete with firms such as Deloitte Touche Tohmatsu Limited, Accenture PLC, Boston Consulting Group, Inc., and various development agencies;
- with respect to payments, we primarily compete with traditional horizontal payment processors such as Elavon, Inc., Fiserv, Inc., Heartland Payment Systems, LLC, Worldpay, LLC, Shift4 Payments, LLC, and Chase Paymentech from JPMorgan Chase & Co.
- with respect to marketing automation, we primarily compete with companies such as Braze, Inc., Klaviyo, Inc., and Iterable, Inc.;
- with respect to guest data platforms, we primarily compete with enterprise data platforms such as Segment from Twilio Inc., and mParticle Inc.; and
- with respect to on-premise table management software, we primarily compete with companies such as OpenTable, Inc. and Yelp Inc.

We compete on the basis of a number of factors, including:

- the ability to integrate with existing restaurant technology solutions and be flexible enough to integrate with future technology solutions;
- the ability to operationalize in a prescribed timeframe set by the prospective customer;
- the breadth of offering and ability to furnish specific functionality in the manner desired by the prospective customer;
- solution performance, security, scalability, and reliability;
- the ability to operationally implement with a customer's infrastructure;
- the ability to operate and support all geographic markets specified by the prospective customer;
- the availability and quality of support and other professional services;
- the ability to integrate our systems seamlessly and at low costs; and
- brand recognition, reputation, and the satisfaction of customers.

We believe that we compete favorably with respect to the factors listed above. However, many of our competitors have greater financial, technical, and other resources, greater brand recognition, larger sales forces and marketing budgets, broader distribution networks, more diverse product and services offerings, and larger and more mature intellectual property portfolios. They may be able to leverage these resources to gain business in a manner that discourages customers from purchasing our offerings. Furthermore, we expect our industry to continue attracting new market entrants, including smaller emerging companies, which could introduce new offerings. We may also expand into new markets and encounter additional competitors in such markets.

## **Government Regulation**

Our business activities are subject to various federal, state, and local laws, rules, and regulations. From time to time, we may launch pilot programs or early-stage products, which may subject us to additional state or federal laws or regulations. Compliance with existing or future governmental regulations, including, but not limited to, those pertaining to business acquisitions, consumer and data protection, and taxes, could have a material impact on our business in subsequent periods. For more information on the potential impacts of government regulations affecting our business, see the section entitled “Risk Factors.”

## **Intellectual Property**

Intellectual property rights are important to our success. We rely on a combination of copyright, trademark, patent and trade secret laws in the United States and other jurisdictions, as well as license agreements, confidentiality procedures, non-disclosure agreements with third parties, and other contractual protections, to protect our intellectual property rights, including our proprietary technology, software, know-how, and brand. We use open-source software in our services.

As of December 31, 2023, we owned 14 registered trademarks in the United States.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners. We require our employees, consultants, and other third parties to enter into confidentiality and proprietary information and invention assignment agreements, and we control and monitor access to our software, documentation, proprietary technology, and other confidential information. Our policy is to require all employees and independent contractors to sign agreements assigning to us any inventions, trade secrets, works of authorship, developments, processes, and other intellectual property generated by them on our behalf and under which they agree to protect our confidential information. In addition, our commercial agreements with our customers and partners include confidentiality provisions. See the section entitled “Risk Factors” for a description of the risks related to our intellectual property.

## **Corporate Information**

We were incorporated in Delaware in June 2005. In January 2020, we changed our name from Mobo Systems, Inc. to Olo Inc. Our principal executive offices are located at 99 Hudson Street, 10th Floor, New York, New York 10013, and our telephone number is (212) 260-0895. Our website address is [www.olo.com](http://www.olo.com).

## **Available Information**

We make available at no cost, on our “Investor Relations” website at [investors.olo.com](http://investors.olo.com), our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, including exhibits, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we have electronically filed such material with the Securities and Exchange Commission, or SEC. All such filings are also available on the SEC’s website at [sec.gov](http://sec.gov).

We also make available at no cost on [investors.olo.com](http://investors.olo.com), the charters of the committees of our Board of Directors, as well as our Corporate Governance Guidelines, Code of Business Conduct and Ethics, and our Related Person Transactions Policy.

We may announce material business and financial information to the public about us, our products and services, and other matters through a variety of means, including filings with the SEC, press releases, public conference calls, webcasts, the investor relations section of our website at [investors.olo.com](http://investors.olo.com), and our X (formerly Twitter) account at @Olo in order to achieve broad, non-exclusionary distribution of information to the public and for complying with our disclosure obligations under Regulation FD. We encourage investors, the media, and others interested in Olo to follow the foregoing channels and review the information that we make available on such channels, in addition to following our filings with the SEC.

Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website. Information on our website is not incorporated by reference herein.

## Item 1A. Risk Factors.

*A description of the risks and uncertainties associated with our business is set forth below. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the risks actually occur, our business, financial condition, results of operations, and prospects could be materially and adversely affected. In that event, the trading price of our Class A common stock could decline.*

### Operational Risks

***Our growth may not be sustainable and depends on our ability to attract new customers, retain revenue from existing customers, and increase sales to both new and existing customers.***

We primarily generate subscription revenue from our Ordering, Switchboard, Virtual Brands, Kiosk, Catering, Sync, Guest Data Platform, or GDP, Marketing, Sentiment, and Host modules, and transaction revenue from our Dispatch, Rails, Network, Virtual Brands, and Olo Pay modules. While the number of customers using our platform, the number of modules that each customer uses, and the volume of transactions on our platform have grown in recent years, there can be no assurance that we will be able to retain these customers or acquire new customers, deploy additional modules to or onboard additional locations with these customers or continue to increase the volume of transactions on our platform. Our costs associated with subscription renewals and additional module deployments are substantially lower than costs associated with generating revenue from new customers. Therefore, if we are unable to retain or increase revenue from existing customers, even if such losses are offset by an increase in new customers or an increase in other revenues, our operating results could be adversely impacted.

Although the circumstances that accelerated the growth of our business stemming from the effects of stay-at-home orders and increased online ordering during the COVID-19 pandemic have largely already eased, general economic uncertainty, among other factors, may cause our revenue to fluctuate. You should not rely on our revenue or other operating and liquidity metrics for any previous quarterly or annual period as an indication of our revenue or revenue growth or other operating and liquidity metrics or their growth in future periods.

We may also fail to attract new customers, increase the volume of transactions on our platform, retain or increase revenue from existing customers, or increase sales of our modules to both new and existing customers as a result of a number of factors, including:

- reductions in our current or potential customers' spending levels, whether due to the general economic climate or other factors;
- reduction in the number of transactions using our modules due to a change in guest preference;
- the labor shortage facing the restaurant industry, which may limit the ability of new or existing customers to adopt our modules;
- competitive factors affecting the software as a service, or SaaS, or restaurant brand software applications markets, including the introduction of competing platforms, discount pricing, and other strategies that may be implemented by our competitors;
- our ability to execute on our growth strategy and operating plans;
- a decline in our customers' level of satisfaction with our platform and customers' usage of our platform;
- a decline in the number of customer locations utilizing our services;
- the ability of our customers to switch to a competitor or develop their own internal platform solutions;
- changes in the size and complexity of our customer relationships;
- reduced liquidity of our existing customers, which could negatively impact the collectability of outstanding receivables and our cash flows;
- changes in our relationships with third parties, including our delivery service provider, or DSP, ordering aggregator, customer loyalty, and payment processor partners;
- failure to maintain compatibility with third party systems or failure to integrate with new systems;
- the timeliness and success of new modules we may develop;

- concerns relating to actual or perceived security breaches;
- the frequency and severity of any system outages; and
- technological changes or problems.

Additionally, we anticipate that our revenue growth rate will decline over time as the number of customers using our platform increases and we achieve higher market penetration rates. Furthermore, as our market penetration among larger potential customers increases, we have in the past and may in the future target smaller customers to maintain our revenue growth rates, which could result in lower gross profits. As our growth rate declines, investors' perception of our business may be adversely affected and the trading price of our Class A common stock could decline as a result. To the extent our growth rate slows, our business performance will become increasingly dependent on our ability to retain revenue from existing customers and increase sales to existing customers.

***Our limited operating history with our modules in a new and developing market makes it difficult to evaluate our current business and future prospects, and may increase the risk that we will not be successful.***

Our platform currently includes the following modules: Ordering, Dispatch, Rails, Switchboard, Network, Virtual Brands, Kiosk, Catering, Sync, GDP, Marketing, Sentiment, Host, and Olo Pay. We added the GDP, Marketing, Sentiment, and Host modules through our acquisition of Wisely Inc., or Wisely, in 2021, and we began commercially offering Olo Pay in the first quarter of 2022. While the introduction of these solutions and modules, our pricing model, and an increase in transaction volumes have contributed significantly to our recent growth in revenue, we have limited experience with these solutions and modules and our transactional-based pricing model, which makes it difficult to accurately assess our future prospects. You should consider our future prospects in light of the challenges and uncertainties that we face, including:

- the fact that our business has grown rapidly and it may not be possible to fully discern the trends that we are subject to, including negative trends we may experience following changes in guest preferences;
- that we operate in a new and developing market with a rapidly changing competitive landscape;
- that we may be unable to accurately predict our revenue and operating expenses for new modules that we release;
- that we may be unable to enhance or retain our brand among customers and potential customers;
- that we may in the future enter into additional new and developing markets that may not develop as we expect or that our platform or modules may not adequately address; and
- that elements of our business strategy are new and subject to ongoing development.

We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing industries, including increasing and unforeseen expenses as we continue to grow our business. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not manage these risks successfully, our reputation, business, results of operations, and prospects will be harmed.

***Our business could be harmed if we fail to manage our growth effectively.***

The rapid growth we have experienced in our business places significant demands on our operational infrastructure. The scalability and flexibility of our platform depends on the functionality of our technology and cloud infrastructure and its ability to handle increased traffic and demand. The growth in the number of third-party ecosystem partners, customers using our platform, and the number of orders processed, coordinated, and delivered through our modules has increased the amount of data and requests that we process. Additionally, new modules, solutions, services, and restaurant ecosystem partners that we integrate may significantly increase the load on our technology infrastructure. Any problems with the transmission or storage of increased data and requests could result in harm to our brand or reputation. Moreover, as our business grows, we will need to devote additional resources to improving our operational infrastructure and continuing to enhance its scalability in order to maintain the performance of our platform, including by improving or expanding cloud infrastructure.

This rapid growth has also placed, and will likely continue to place, a significant strain on our managerial, administrative, operational, financial, and other resources. As a result, we intend to increase headcount in the future to further expand our overall business, with no assurance that our revenue will continue to grow. As we grow, we will be required to continue to improve our operational and financial controls and reporting procedures and we may not be able to do so effectively. In addition, our management team has little experience leading a large, potentially global business operation, so our management may not be able to lead any such growth effectively.

***We have made and may continue to make acquisitions or enter into joint ventures or other partnerships, which could divert management's attention, result in operating difficulties and dilution to our shareholders, and otherwise disrupt our operations and adversely affect our business, operating results, or financial position.***

From time to time, we may evaluate potential strategic acquisition, joint venture or partnership opportunities, such as our acquisitions of Wisely and Omnivore Technologies, Inc., or Omnivore. Any transactions that we enter into could materially affect our business, financial condition, and results of operations. The process of acquiring and integrating another company or technology could create unforeseen operating difficulties and expenditures. Acquisitions and other partnerships involve a number of risks, such as:

- diversion of management time and focus from operating our business;
- use of resources that are needed in other areas of our business;
- in the case of an acquisition, implementation or remediation of controls, procedures, and policies of the acquired company;
- in the case of an acquisition, difficulty integrating the accounting systems and operations of the acquired company and maintaining the quality and security standards consistent with our brand, including potential risks to our corporate culture;
- coordination of product, engineering, and selling and marketing functions, including difficulties and additional expenses associated with supporting legacy services and platform and hosting infrastructure of the acquired company, difficulties remediating cybersecurity or other vulnerabilities in the technology of acquired companies, and difficulty converting the customers of the acquired company onto our platform and contract terms, including disparities in the revenue, licensing, support, or professional services model of the acquired company;
- in the case of an acquisition, retention and integration of employees from the acquired company, including any employees outside of the United States;
- unforeseen costs or liabilities, including potential legal liability for violations of applicable law, industry rules or regulations arising from prior or ongoing acts or omissions by the acquired company or partner that are not discovered by due diligence during the acquisition or partnership process;
- adverse effects on our existing business relationships with partners and/or customers as a result of the acquisition or joint venture;
- the possibility of adverse tax consequences;
- the assumption or incurrence of additional debt obligations or expenses, or use of substantial portions of our cash;
- the issuance of equity securities to finance, or as consideration for, any acquisitions that dilute the ownership of our stockholders;
- the issuance of equity securities to finance, or as consideration for, any acquisitions may not be an option if the price of our common stock is low or volatile, which could preclude us from completing any such acquisitions;
- litigation or other claims arising in connection with the acquired company or partner; and
- in the case of foreign acquisitions or with respect to employees located outside the United States, the need to integrate operations across different cultures and languages and to address the particular economic, currency, political, legal, and regulatory risks associated with specific countries.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which must be assessed for impairment at least annually. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our operating results based on this impairment assessment process, which could adversely affect our results of operations.

We may not be able to identify acquisition or investment opportunities that meet our strategic objectives or, to the extent such opportunities are identified, we may not be able to negotiate terms with respect to the acquisition or investment that are acceptable to us.

The Wisely Acquisition in November 2021 and Omnivore Acquisition in March 2022 involved the assumption of and exposure to various liabilities relating to the conduct of the Wisely and Omnivore businesses and have in the past and may in the future create numerous risks and uncertainties, which could adversely affect our financial condition and operating results. If

any issues arise, we may not be entitled to sufficient, or any, indemnification or recourse, which could have a materially adverse impact on our business and results of operations.

Further, the additions of Wisely and Omnivore to our business entail many changes, including the ongoing integration of each respective business and its technology and products, as well as changes in systems. These integration activities are complex, and we may encounter unexpected difficulties and incur unexpected costs or experience business disruptions. In addition, we may be required to spend additional time or money on integration that otherwise would be spent on the development and expansion of our existing business. There can be no assurance that any of the acquisitions we may make, including the Wisely Acquisition and the Omnivore Acquisition, will be successful or will be, or will remain, profitable.

***Our future success depends in part on our ability to drive the adoption of our platform by international and small-to-medium business customers, and to expand into new, on-demand digital commerce verticals.***

Although we currently do not derive significant revenue from customer accounts located outside the United States, and do not derive any material revenue from customer accounts outside of North America, the future success of our business may depend, in part, on our ability to expand our customer base worldwide. However, because we have limited experience with international customers or in selling our platform internationally, our business model may not be successful or have the same traction outside the United States. As a result, our investment in marketing our platform to these potential customers may not be successful. Additionally, our success may depend in part on our ability to increase our partnerships with small-to-medium business customers. These customers may have different requirements than our larger restaurant brand customers, and therefore may not find our platform to be as attractive as our existing customers. They may also be unwilling to agree to pay subscription or transactional fees for our platform or modules at the levels required to make these transactions profitable, we may be exposed to foreign exchange risks, or they may request additional functionality, training, customer service, or software integrations. We also believe that our platform can be applied to other on-demand digital commerce verticals beyond the restaurant industry, and we plan to focus on sectors or opportunities that are also undergoing the digital transformations. If we are unable to increase the revenue that we derive from international and small-to-medium business restaurant customers, or deploy our platform in other on-demand digital commerce verticals, then our business, results of operations, and financial condition may be adversely affected.

***We may be unable to achieve or maintain data transmission capacity.***

Our customers often draw significant numbers of guests to their websites and mobile applications over short periods of time, including during key television events, marketing events, holidays, or during peak delivery times, which significantly increases the traffic on our servers and the volume of transactions processed on our platform. Our infrastructure or software has in the past and may in the future be unable to achieve or maintain capacity high enough to handle increased traffic or process transactions in a timely manner. Our failure to achieve or maintain high capacity could significantly reduce demand for our platform. Further, as we continue to attract restaurant customers, the volume of data stored and transactions processed on our platform will increase, especially if such customers draw significant numbers of guests over short periods of time. In the future, we may be required to allocate resources, including spending substantial amounts of money, to build, purchase or lease additional infrastructure in order to handle the increased load. Our ability to deliver our platform also depends on the development and maintenance of internet and mobile application infrastructure by third parties, including by our cloud service provider. Such development and maintenance includes the maintenance of reliable networks with the necessary speed, data capacity, and bandwidth. If one of these third parties suffers from capacity constraints, our business may be adversely affected.

***Our business and prospects would be harmed if changes to technologies used in our platform or new versions or upgrades of operating systems or applications adversely impact the process by which customers and guests interface with our platform.***

We believe that our platform's functionality, simplicity, positive user experience, and ability to integrate with multiple technology partners in the restaurant ecosystem have helped us to expand and offer our platform to customers who may have limited technical personnel. In the future, providers of mobile, website or other operating systems or applications could introduce new features, policies or rules that would make it difficult for customers to use our platform. In addition, mobile devices, websites, operating systems or other applications have in the past and could in the future introduce new features, change existing operating systems, application programming interfaces, or APIs, or other specifications such that they would be incompatible with our platform, or prevent delivery or aggregator partners from accessing customers who are using our platform. Any changes to technologies used in our platform, existing features that we rely on, or operating systems, APIs or applications that make it difficult for customers to access our platform or guests to access our customers' ordering applications or websites, may make it more difficult for us to maintain or increase our revenue and could adversely impact our business and prospects.



***We experience significant seasonal fluctuations in our financial results, which could cause our stock price to fluctuate.***

Our business is highly dependent on the behavior patterns of restaurant brands and guests. We may experience a relative increase or decrease in the use of our modules depending on the season and customer type, which may be difficult to assess. Additionally, our revenue can also be impacted by sales cycles and seasonality, which vary depending on customer type. For example, our restaurant customers typically experience a decrease in orders on or around certain holidays and an increase in orders during the winter months. Finally, even after we have executed a contract with a customer, deployment of our platform and the related modules is typically lower than average in the fourth quarter. As a result, seasonality will likely cause fluctuations in our financial results on a quarterly basis, and other seasonality trends may develop that may similarly impact our results of operations.

***Failure to meet ESG expectations or standards or achieve our ESG goals could adversely affect our business, results of operations, financial condition or stock price.***

There has been an increased focus from regulators and stakeholders on environmental, social, and governance, or ESG, matters, including greenhouse gas emissions and climate-related risks; diversity, equity, and inclusion; responsible sourcing and supply chain; human rights and social responsibility; and corporate governance and oversight. Given our commitment to ESG, we actively manage these issues and have established and publicly announced certain goals, commitments, and targets which we may refine or even expand further in the future. These goals, commitments, and targets reflect our current plans and aspirations and are not guarantees that we will be able to achieve them. Evolving stakeholder expectations and our efforts and ability to manage these issues, provide updates on them, and accomplish our goals, commitments, and targets present numerous operational, regulatory, reputational, financial, legal, and other risks, any of which may be outside of our control or could have a material adverse impact on our business, including on our reputation and stock price. Further, there is uncertainty around the accounting standards and climate-related disclosures associated with emerging laws and reporting requirements and the related costs to comply with the emerging regulations. Our failure or perceived failure to achieve our ESG goals, maintain ESG practices or comply with emerging ESG regulations that meet evolving regulatory or stakeholder expectations could harm our reputation, adversely impact our ability to attract and retain customers and talent, and expose us to increased scrutiny from the investment community and enforcement authorities. Our reputation also may be harmed by the perceptions that our stakeholders have about our action or inaction on ESG-related issues. Damage to our reputation and loss of brand equity may reduce demand for our products and services and thus have an adverse effect on our future financial results, as well as require additional resources to rebuild our reputation and could also reduce our stock price.

**Commercial Risks**

***Our sales cycles can be long and unpredictable, and our sales efforts require considerable investment of time and expense. If our sales cycle continues to lengthen, we invest substantial resources pursuing unsuccessful sales opportunities, or our customers do not timely onboard and deploy our modules, our operating results and growth may be harmed.***

We have historically incurred significant costs and experienced long sales cycles when selling to customers. In the restaurant market segment, the decision to adopt our modules may require the approval of multiple technical and business decision makers, including security, compliance, operations, finance and treasury, marketing, and IT. In addition, before committing to deploy our modules at scale, restaurant customers often require extensive education about our modules and significant support time with our employees or pilot programs, engage in protracted pricing negotiations, and seek to secure development resources.

Additionally, sales cycles for restaurant customers in general, and larger restaurants in particular, are inherently complex and unpredictable. These complex and resource intensive sales efforts could place additional strain on our development and engineering resources. Our standard contracts state that we will be the exclusive provider of digital ordering services to the restaurant brand, and the restaurant brand must use best efforts to ensure their operators also use Olo exclusively. However, not all of our contracts that we enter into with restaurant brands provide that we will be the exclusive provider of digital ordering services, as we have in the past and may in the future agree to waive exclusivity for various reasons. We strive for exclusivity across all locations, but because operators are not required to use Olo, we have in the past had and may in the future have some locations of a restaurant brand choose not to use our platform. Further, even after our restaurant brands contract to use our platform, individual locations or any future new locations may require extensive integration or deployment resources from us before they become active locations, which have at times extended to multiple quarterly periods following the execution of an agreement with us.

Because we generally only generate transaction revenue after our platform is deployed, if we are unable to deploy our platform with our customers in a timely manner, our results of operations and financial condition may be harmed. For example, our sales cycle extended in 2022 and 2023 to be longer than we had experienced historically, and may continue to be extended, due to our restaurant customers' budgetary constraints and shifting priorities in response to labor and staffing challenges at both the operator and brand level. If we are unsuccessful in closing sales after expending significant funds and management resources, or we experience delays in the deployment of our platform to customers or incur greater than anticipated costs, our business, financial condition, and results of operations have in the past and may in the future be adversely affected.

***Our business depends on customers increasing their use of our platform, and any loss of customers or decline in their use of our platform could materially and adversely affect our business, results of operations, and financial condition.***

Our ability to grow and generate incremental revenue depends, in part, on our ability to maintain and grow our relationships with existing customers, to have them increase their deployment and use of our platform and modules, and to increase or maintain transaction volume on our platform. Although our customers generally have multi-year contracts with us, they generally have the right to elect not to renew by providing at least 90 days' written notice prior to the expiration date of the contract. In addition, if our customers do not increase their use of our platform or adopt and deploy additional modules, or if they reduce the number of locations using our platform, then our revenue may decline and our results of operations may be harmed. Customers in the past have not renewed, and in the future may not renew their contracts with us or reduce their use of our platform for any number of reasons, including if they are not satisfied with our platform or modules, the value proposition of our platform or our ability to meet their needs and expectations, security or platform reliability issues, or if they decide to directly integrate with one or more of our partners, build their own solution internally or temporarily or permanently close their restaurants in a location. For example, Subway and other customers have not renewed their contracts with us or have reduced their use of our platform.

Additionally, guests have in the past and may in the future change their purchasing habits or reduce their orders from our current customers, which could harm their business and reduce their use of our platform. We cannot accurately predict our customers' usage levels and the loss of customers or reductions in the number of locations that use our platform or their usage levels of our modules may each have a negative impact on our business, results of operations, and financial condition and may cause our expansion rate to decline. If a significant number of customers cease using, or reduce their usage of our platform, then we may be required to spend significantly more on sales and marketing than we currently plan to spend in order to maintain or increase revenue from our customers. Such additional sales and marketing expenditures could adversely affect our business, results of operations, and financial condition.

***If we fail to continue to improve and enhance the functionality, performance, reliability, design, security or scalability of our platform, including the utilization of evolving artificial intelligence, or AI, and machine learning technologies, in a manner that responds to our customers' evolving needs, our business may be adversely affected.***

The on-demand digital commerce and digital ordering markets are characterized by rapid technological change, frequent new product and service introductions, and evolving industry standards. Our success has been based on our ability to identify and anticipate the needs of our customers and design and maintain a platform that provides them with the tools they need to operate their businesses in a manner that is productive and meets or exceeds their expectations. Our ability to attract new customers, retain revenue from existing customers, and increase sales to both new and existing customers will depend in large part on our ability to continue to improve and enhance the functionality, performance, reliability, design, security, and scalability of our platform. Additionally, to achieve and maintain market acceptance for our platform, we must effectively integrate with new or existing software solutions that meet changing customer demands in a timely manner.

As we expand our platform and services, and as the number of our customers with higher volume sales increases, we expect that we will need to offer increased functionality, scalability, and support, including to keep our platform, systems, and services secure, which requires us to devote additional resources to such efforts. To the extent we are not able to enhance our platform's functionality in order to maintain its utility and security, enhance our platform's scalability in order to maintain its performance and availability, or improve our support functions in order to meet increased customer service demands, our business, operating results, and financial condition could be adversely affected.

We may experience difficulties with software development that could delay or prevent the development, deployment, introduction or implementation of new modules and enhancements. Software development involves a significant amount of time, as it can take our developers months to update, code, and test new and upgraded modules, and integrate those modules into our platform. We must also continually update, test, certify, maintain, and enhance our software platform. We may make significant investments in new modules or enhancements that may not achieve expected returns. The continual improvement and enhancement of our platform requires significant investment and we may not have the resources to make such investment.

Our improvements and enhancements may not result in our ability to recoup our investments in a timely manner, or at all. The improvement and enhancement of the functionality, performance, reliability, design, security, and scalability of our platform is expensive and complex, and to the extent we are not able to perform it in a manner that responds to our customers' evolving needs, our business, operating results, and financial condition could be adversely affected.

***We currently generate significant revenue from our largest restaurant customers, and the loss or decline in revenue from any of these customers could harm our business, results of operations, and financial condition.***

For the year ended December 31, 2023, our ten largest restaurant customers generated an aggregate of approximately 12% of our revenue. Although these customers enter into contracts with us, our largest customers have in the past, and may in the future, reduce or terminate their usage of our platform, reduce the number of locations using our platform, or decide not to renew their agreements with us. Our customers have in the past, and may in the future, choose to develop their own solutions that do not utilize any or all of our modules. They also may demand price reductions as their usage of our modules increases, due to competitive pressures, changes in economic conditions or otherwise, which could have an adverse impact on our gross margin. If we are unable to increase the revenue that we derive from these customers, then our business, results of operations, and financial condition may be adversely affected.

We have lost in the past, and we may lose in the future, one or more of our largest restaurant customers. While no such losses have been material to date, in the event that any of our largest restaurant customers do not continue to use our platform, use fewer of our modules, use our modules in a more limited capacity, or not at all, reduce the number of locations using our platform, or if the volume of transactions processed on our platform declines, our business, results of operations, and financial condition could be adversely affected.

***Our business is highly competitive. We may not be able to compete successfully against current and future competitors.***

We face competition in various aspects of our business and we expect such competition to intensify in the future, as existing and new competitors, including some of our current ecosystem partners, introduce new solutions or enhance existing solutions that are directly competitive with our modules. Our platform combines functionality from numerous product categories, and we may compete against providers in each of these categories including white-label digital ordering solution providers, restaurant-focused POS platforms, aggregators that provide direct digital ordering solutions, and custom software providers. Our potential new or existing competitors may be able to develop solutions that are better received by customers or may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, regulations or customer requirements. Some ordering aggregators sell solutions that are competitive with our core platform and they may become more aggressive in their sales tactics, including by bundling competitive solutions with their delivery or aggregator products. If competitors, many of which are much better capitalized than we are, are successful in providing our customers with a more attractive solution or pricing, our business and results of operation may be harmed. In addition, as we adopt new modules or expand into new markets, we will continue to encounter varying competitive dynamics in such markets.

Competition may intensify as current or future competitors enter into business combinations or alliances or raise additional capital, or as established companies in other market segments or geographic markets expand into our market segments or geographic markets. For instance, current or future competitors could use strong or dominant positions in one or more markets to gain a competitive advantage against us in areas where we operate, including by integrating additional or competing platforms or features into solutions they control, such as additional payment, rewards, or delivery platforms or features. In addition, certain customers may choose to partner with our competitors in a specific geographic market, or choose to engage exclusively with our competitors. Further, our current ecosystem partners could add features to their solutions, including POS functionality, limit or terminate the availability of their products on our platform, or directly compete with our solutions by expanding their product offerings. Current and future competitors, including our current ecosystem partners, may also choose to offer a different pricing model or to undercut prices in an effort to increase their market share. If we cannot compete successfully against current and future competitors, our business, results of operations, and financial condition could be negatively impacted.

***Mergers of or other strategic transactions by our competitors, our customers, or our partners could weaken our competitive position or reduce our revenue.***

If one or more of our competitors, aggregator partners, or DSPs were to consolidate or partner with another one of our competitors, aggregator partners, or DSPs, the change in landscape could adversely affect our ability to compete effectively. Our competitors may also establish or strengthen cooperative relationships with our third party ecosystem partners, thereby limiting our ability to promote our platform. In addition, we may lose customers that merge with or are acquired by companies

using a competitor's or an internally developed solution. Disruptions in our business caused by these events could adversely affect our revenue growth and results of operations.

***Our pricing decisions and pricing models may adversely affect our ability to attract new customers and retain existing customers.***

Our platform currently includes the following modules: Ordering, Dispatch, Rails, Switchboard, Network, Virtual Brands, Kiosk, Catering, Sync, GDP, Marketing, Sentiment, Host, and Olo Pay. Our more recent product offerings are GDP, Marketing, Sentiment, and Host, which we added in 2021 through the Wisely Acquisition. We began commercially offering Olo Pay in the first quarter of 2022. As a result, we have limited experience determining the optimal prices for our modules and may be unable to convert existing customers from a flat-fee model to a transactional based pricing model. We have changed our pricing model from time to time and expect to do so in the future or sell new modules. However, given our limited experience with selling new modules, it may turn out that the new pricing models, or the pricing for any other modules we may develop, is not optimal, which may result in our modules not being profitable or not gaining market share. As competitors, including our ecosystem partners, introduce new solutions that compete with ours, especially in the digital ordering and delivery spaces where we face significant competition, we may be unable to attract new customers at the same price or based on the same pricing models that we have used historically. Pricing decisions and pricing models may also impact the mix of adoption among our modules and negatively impact our overall revenue. Moreover, restaurants may be sensitive to price increases or to the prices offered by competitors. As a result, in the future we may be required to reduce our prices, which could adversely affect our results of operations and financial condition.

## **Financial Risks**

***We have a history of losses and we may be unable to achieve or sustain profitability.***

We have incurred significant losses since inception and we may not achieve or sustain profitability. We incurred net losses of \$58.3 million, \$46.0 million, and \$42.3 million for the years ended December 31, 2023, 2022, and 2021 respectively. As of December 31, 2023, we had an accumulated deficit of \$215.8 million. These losses and accumulated deficit are a result of the substantial investments we made to grow our business and we expect to make significant expenditures to expand our business in the future. We anticipate that we will continue to incur losses in the short-term as we increase our operating expenses, including, without limitation, as a result of expected increases in:

- sales and marketing expenses, as we continue to spend on marketing activities and expand our sales efforts;
- research and development expenses, as we continue to introduce new modules to extend the functionality of our platform;
- expenses related to customer service and support, which is critical to our continued success and ability to maintain a strong reputation for our brand;
- expenses related to the successful integration of any acquired businesses, including sales and marketing, research and development, finance, legal, and information technologies expenses;
- expenses related to further investments in our network infrastructure in order to support the continued growth of our business and to meet the demands of continuously changing security and operational requirements; and
- general costs and administrative expenses as a result of our continued growth and the costs associated with being a public company.

These increased expenditures will make it harder for us to achieve or sustain profitability and we cannot predict if we will achieve or sustain profitability in the short-term or at all. Historically, our costs have increased each year due to these investments and we expect to continue to incur increasing costs to support our anticipated future growth. In addition, the costs associated with acquiring new customers may materially rise in the future, including if we expand international sales efforts outside of the United States and Canada, increase our efforts to pursue small-to-medium business restaurant brands, or increase sales efforts to other verticals. If we are unable to generate adequate revenue growth and manage our expenses, we may continue to incur significant losses and may not achieve or sustain profitability.

We may also make decisions that would reduce our short-term operating results if we believe those decisions will improve the experiences of our customers and guests and if we believe such decisions will improve our operating results over the long-term. These decisions may not be consistent with the expectations of investors and may not produce the long-term benefits that we expect, in which case our business may be materially harmed.

***If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, our stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our Class A common stock.***

A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements would not be prevented or detected on a timely basis. We previously identified a material weakness in our internal control over financial reporting for the fiscal years ended December 31, 2021 and 2022 related to the lack of sufficient qualified personnel who possessed an appropriate level of technical expertise and did not design and maintain effective controls over complex technical accounting matters. Although this material weakness was remediated, there can be no assurance that we will not identify additional material weaknesses in the future, that measures we may take will be sufficient to remediate the material weaknesses, or that such measures will prevent or avoid potential future material weaknesses.

As our business changes, our internal controls may become more complex and we may be required to expend significantly more resources to ensure our internal controls remain effective. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. If we or our independent registered public accounting firm identify additional material weaknesses, the disclosure of that fact, even if quickly remediated, could reduce the market's confidence in our financial statements and harm our stock price. We cannot be certain that our internal control measures will provide in the future adequate control over our financial processes and reporting and ensure compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results, may result in a restatement of our financial statements for prior periods, cause us to fail to meet our reporting obligations, and could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in the periodic reports we will file with the SEC.

***Provisions of our financial instruments may restrict our ability to pursue our business strategies.***

We currently have a credit facility, which requires us, and any debt instruments we may enter into in the future may require us, to comply with various covenants that limit our ability to, among other things:

- dispose of or encumber assets;
- complete mergers or acquisitions;
- incur additional indebtedness;
- pay dividends or make other distributions to holders of our shares;
- make specified investments;
- change certain key management personnel;
- engage in transactions with affiliates; and
- engage in any business other than the businesses in which we currently engage.

These restrictions could inhibit our ability to pursue our business strategies. If we default under our credit facility, and such event of default is not cured or waived, the lender could terminate commitments to lend and cause all amounts outstanding with respect to the debt to be due and payable immediately. Our assets and cash flow may not be sufficient to fully repay borrowings under our outstanding debt instruments if some or all of these instruments are accelerated upon a default.

We may also incur additional indebtedness in the future. Any new or refinanced debt may be subject to substantially higher interest rates than we have experienced in the past, which could adversely affect our financial condition and impact our business. The instruments governing such indebtedness could contain provisions that are as, or more, restrictive than our existing debt instruments. If we are unable to repay, refinance, or restructure our indebtedness when payment is due, the lenders could proceed against the collateral granted to them to secure such indebtedness, as applicable, or force us into bankruptcy or liquidation.

***Changes in our effective tax rate or tax liability may have an adverse effect on our results of operations.***

Our effective tax rate has in the past and could in the future increase due to several factors, including:

- changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- changes in tax laws, tax regulations or tax treaties, or the interpretation of any of them;

- changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies, and the economic and political environments in which we do business;
- the outcome of current and future tax audits, examinations, or administrative appeals; and
- limitations or adverse findings regarding our ability to do business in some jurisdictions.

Any of these developments could adversely affect our results of operations and financial condition. Additionally, on August 16, 2022, President Joseph R. Biden signed into law the Inflation Reduction Act of 2022, or IRA. The IRA includes a 15% corporate alternative minimum tax for companies with modified GAAP net income in excess of \$1 billion, a 1% excise tax on certain stock repurchases, and numerous environmental and green energy tax credits. The excise tax law has not had a material impact on our stock repurchase program or our results of operations.

***Changes in tax law could adversely affect our business and financial condition.***

The rules dealing with U.S. federal, state, and local and non-U.S. taxation are constantly under review by persons involved in the legislative process, the Internal Revenue Service, the U.S. Treasury Department, and other taxing authorities. Changes to tax laws or tax rulings, or changes in interpretations of existing laws (which changes may have retroactive application), could adversely affect us or holders of our common stock. These changes could subject us to additional income-based taxes and non-income taxes (such as payroll, sales, use, value-added, digital tax, net worth, property, and goods and services taxes), which in turn could materially affect our financial position and results of operations. Additionally, new, changed, modified, or newly interpreted or applied tax laws could increase our customers' and our compliance, operating, and other costs, as well as the costs of our products. In recent years, many such changes have been made, and changes are likely to continue to occur in the future. As we expand the scale of our business activities, any changes in the U.S. and non-U.S. taxation of such activities may increase our effective tax rate and harm our business, financial condition, and results of operations.

***Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations.***

As of December 31, 2023, we had approximately \$287.3 million of federal net operating losses, or NOLs. Approximately \$20.7 million of the federal NOLs will expire at various dates beginning in 2032 through 2037 if not utilized, while the remaining amount will have an indefinite life. As of December 31, 2023, we had approximately \$211.4 million of state NOLs. Of the state NOLs, some may follow the Tax Cut and Jobs Act and are indefinite-lived and most are definite-lived with various expiration dates beginning in 2025 through 2040. In addition, our federal research and development tax credits were approximately \$1.5 million as of December 31, 2023. The federal research credits will begin to expire in 2036. Under current law, federal NOLs generated in taxable years ending after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal NOLs may be limited to 80% of our taxable income annually for tax years beginning after December 31, 2020. NOLs generated prior to December 31, 2017, however, have a 20-year carryforward period, but are not subject to the 80% limitation.

In general, under Section 382 of the Internal Revenue Code of 1986, as amended, or the Code, a corporation that undergoes an "ownership change," as defined under Section 382 of the Code and applicable Treasury Regulations, is subject to limitations on its ability to utilize its pre-change NOLs to offset taxable income. This limitation would generally apply in the event of a cumulative change in ownership of our company of more than 50% within a three-year period. We have experienced ownership changes under Section 382 of the Code in the past, including in connection with our initial public offering, or IPO, or may experience changes in the future, in each case that could affect our ability to utilize our NOLs to offset our taxable income. Furthermore, our ability to utilize NOLs of companies that we have acquired or may acquire in the future may be subject to similar limitations. There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs by federal or state taxing authorities or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities. For these reasons, we may not be able to utilize a material portion of the NOLs reflected on our balance sheet, even if we attain profitability, which could potentially result in increased future tax liability to us and could adversely affect our operating results and financial condition.

***Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our business, financial condition, and results of operations.***

Actual events involving limited liquidity, defaults, non-performance, or other adverse developments that affect financial institutions, transactional counterparties, or other companies in the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past led and may in the future lead to market-wide

liquidity problems. On March 10, March 12, and May 1, 2023, the Federal Deposit Insurance Corporation, or the FDIC, took control and was appointed receiver of Silicon Valley Bank, Signature Bank, and First Republic Bank, respectively, after each bank was unable to continue its operations, which led to market instability. We cannot predict the impact that the high market volatility and instability of the banking sector more broadly could have on economic activity and our business in particular. The failure of other banks and financial institutions and measures taken, or not taken, by governments, businesses, and other organizations in response to these events could adversely impact our and our customers' business, financial condition, and results of operations.

If the financial institutions with which we do business enter receivership or become insolvent in the future, there is no guarantee that the Department of the Treasury, the Federal Reserve, and the FDIC will intercede to provide us and other depositors with access to balances in excess of the \$250,000 FDIC insurance limit or that we would be able to (i) access our existing cash, cash equivalents, and investments, (ii) maintain any required letters of credit or other credit support arrangements, or (iii) adequately fund our business for a prolonged period of time or at all, any of which could have a material adverse effect on our current or projected business operations and results of operations and financial condition. In addition, if any parties with which we conduct business are unable to access funds pursuant to such instruments or lending arrangements with such a financial institution, such parties' ability to continue to fund their business and perform their obligations to us could be adversely affected, which, in turn, could have a material adverse effect on our business, financial condition, and results of operations.

***Our reported financial results may be adversely affected by changes in accounting principles generally accepted in the United States.***

U.S. generally accepted accounting principles, or GAAP, are subject to interpretation by the Financial Accounting Standards Board, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported results of operations and could affect the reporting of transactions already completed before the announcement of a change.

***If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our results of operations could be adversely affected.***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes appearing elsewhere in this Annual Report on Form 10-K. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Estimates" included in Part II, Item 7 of this Annual Report on Form 10-K. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Significant estimates and judgments involve revenue recognition and the valuation of our stock-based compensation awards, among others. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

***As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our Class A common stock.***

We are a public company required to comply with the SEC's rules implementing Sections 302 and 404 of the Sarbanes-Oxley Act, which requires management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. As of December 31, 2022, we became a large accelerated filer and ceased to be an emerging growth company. Due to our change in status, our independent registered public accounting firm must attest to the effectiveness of our internal control over financial reporting pursuant to Section 404.

The process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404 requires that we incur substantial expenses and expend significant management efforts. We have hired, and may continue to hire, additional accounting and financial staff with appropriate public company experience and technical accounting knowledge to remain in compliance with Section 404.



During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. As we have identified a material weakness in the past, any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. In addition, in connection with the results of such evaluation, we may need to upgrade our systems, including information technology, implement additional financial and management controls, reporting systems, and procedures, or hire additional staff. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

***We may require additional capital, which additional financing may result in restrictions on our operations or substantial dilution to our stockholders, to support the growth of our business, and this capital might not be available on acceptable terms, if at all.***

We have financed our operations since inception primarily through sales of our equity securities, including our completed IPO, payments received from customers, and borrowings under our credit facility. We cannot be certain when or if our operations will generate sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds.

Additional financing may not be available on terms favorable to us, if at all. In particular, we are currently operating in a period of economic uncertainty and capital markets disruption, which has been impacted by high levels of inflation, geopolitical instability, an ongoing war in Ukraine, and evolving events in Israel, Gaza, and the Middle East. It is impossible to predict the extent to which our business will be impacted in the short- and long-term, but such uncertainty and disruption may reduce our ability to access capital and negatively affect our liquidity in the future. Additionally, elevated interest rates have in the past and may in the future reduce our access to debt capital, which may adversely affect our future business plans and expected growth, and will increase the cost of any future borrowings and our variable rate borrowings, which would reduce our earnings. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, operating results, and financial condition. If we incur additional debt, the debt holders would have rights senior to holders of our equity to make claims on our assets, and the terms of any debt could restrict our operations, including our ability to pay dividends on our Class A common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our Class A common stock. Volatility in equity capital markets has in the past and may in the future also adversely affect market prices of our securities, which may materially and adversely affect our ability to fund our business through public or private sales of equity securities. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our Class A common stock and diluting their interests.

***We recognize revenue from customer subscriptions over the term of the subscription agreement and, therefore, a significant downturn in our business may not be immediately reflected in our operating results.***

We recognize revenue from subscription agreements monthly over the terms of these agreements, which is typically three years or longer. As a result, a significant portion of the revenue we report in each quarter is generated from customer agreements entered into during previous periods. Consequently, a decline in new subscriptions or renewed subscriptions in any one quarter may not impact our financial performance in that quarter, but has previously and may in the future negatively affect our revenue in subsequent quarters. If a number of contracts expire and are not renewed in the same quarter, our revenue may decline significantly in that quarter and subsequent quarters. Accordingly, the effect of significant declines in sales of our platform or modules may not be reflected in our short-term results of operations.



## **Risks Related to Our Reliance on Third Parties**

***Our growth depends in part on the success of our strategic relationships with third parties and our ability to integrate with third-party applications and software.***

The success of our platform depends, in part, on our ability to integrate third-party applications, software, and other offerings into our platform. We anticipate that the growth of our business will continue to depend on third-party relationships, including relationships with POS systems, DSPs, ordering service providers, aggregators, digital agencies, payment processors, loyalty providers, and other partners. In addition to growing our third-party partner ecosystem, we have entered into agreements with, and intend to pursue additional relationships with, other third parties, such as search engine and social media, location services, voice ordering, autonomous vehicle, and virtual kitchen providers. Identifying, negotiating, and documenting relationships with third parties and integrating third-party content and technology requires significant time and resources, and third-party providers may choose to change the economics of or terminate their relationship with us, compete directly against us, enter into exclusive arrangements with our competitors, or make material changes to their businesses, solutions, or services that could be detrimental to our business.

Third-party developers may change the features of their offering of applications and software or alter the terms governing the use of their offerings in a manner that is adverse to us. We may also be unable to maintain our relationships with certain third-parties if we are unable to integrate our platform with their offerings. In addition, third-parties may refuse to partner with us or limit or restrict our access to their offerings. We may not be able to adapt to the data transfer requirements of third party offerings. If third-party applications or software change such that we do not, or cannot, maintain the compatibility of our platform with these applications and software, or if we fail to ensure there are third-party applications and software that our customers desire to add to their ordering or delivery portals, demand for our platform could decline. If we are unable to maintain technical interoperability, our customers may not be able to effectively integrate our platform with other systems and services they use. If we fail to integrate our platform with new third-party offerings that our customers need to operate their businesses, or to provide the proper support or ease of integration our customers require, we may not be able to offer the functionality that our customers and their guests expect, which would harm our business.

The third party service providers with which we integrate may not perform as expected under our agreements or under their agreements with our customers, we or our customers may in the future have disagreements or disputes with such providers, or such providers may experience reduced growth, reduce incentives for our customers' guests to make delivery orders, or otherwise change their business models in ways that are disadvantageous to us or our customers. For example, if the DSPs with which we partner for our Dispatch module were to increase prices of delivery to guests, the number of orders made through our platform could be reduced and our business may be harmed. In addition, if our Rails providers were to reduce incentives for guests to order through those respective aggregators, our revenue and business may be harmed. If we lose access to solutions or services from a particular partner, or experience a significant reduction or disruption in the supply of services from a current partner, it could have an adverse effect on our business and operating results.

***Our Dispatch module currently relies on a limited number of DSPs.***

The availability of DSPs generally, and of specific DSPs in certain markets, is integral to the value that our Dispatch module provides to our customers and our ability to generate revenue from orders fulfilled through Dispatch. However, the DSP market is not fully developed and has been and could in the future be adversely affected by various conditions, including industry consolidation or downturns, changes in labor and independent contractor laws and pricing models, the success of competitors or competing solutions for customers, and general economic conditions. In general, there is more than one DSP available to fulfill delivery orders through Dispatch. In certain markets, however, delivery orders are fulfilled by one or a limited number of DSPs, with a subset of such DSPs being responsible for fulfilling a majority of orders in that market. In addition, certain of these DSPs may be, or may be perceived to be, in competition with us with respect to some of our offerings and, as a result, may be less incentivized to continue to partner with us. If one or more DSPs that represents a significant volume of our Dispatch transactions overall, or DSPs that represent a significant volume of our Dispatch transactions in any single market, are no longer able to continue to provide timely and reliable delivery services, including as a result of a shortage in the labor market or changes in the labor laws, or if we or a DSP terminate our partnership, we could experience significant interruptions in the delivery of orders through our Dispatch module, which could have an adverse effect on our business, financial condition, and results of operations.

***Our Rails module currently relies on a limited number of aggregators.***

Our Rails module integrates with a limited number of digital ordering aggregators to fulfill third-party ordering transactions on our platform. These aggregators could decide to create new software that is incompatible with our platform,

enter into agreements that are exclusive or on terms that are more favorable than those we offer directly with our customers or potential customers, change the contractual economics of their relationship with us, or enter into agreements directly with our competitors or potential future competitors of ours that are exclusive or on terms that are more favorable than those we offer to our customers. Certain of these aggregators may be, or may be perceived to be, in competition with us with respect to some of our offerings and, as a result, may terminate their relationship with us or be less incentivized to continue to partner with us.

Factors impacting the pricing strategies of our aggregators, including operating costs, legal and regulatory requirements, constraints, or changes, could also impact our business. For example, in connection with the COVID-19 pandemic, jurisdictions across the United States implemented price controls on some food delivery logistics platforms. These price controls caused, and may in the future cause, aggregators to increase the fees charged to guests. Such increase in the fees charged by aggregators could result in reduced demand for services by guests, and our transactional revenue from our Rails module may decline. Moreover, a number of aggregators have merged or consolidated, and may continue to do so, which could reduce the number of aggregators on our Rails module, reduce our revenue, and limit the effectiveness of Rails. In the event that any of the largest digital ordering aggregators do not integrate with our platform, or create software that is incompatible or competes with our platform by directly integrating with one of our customers, our ability to generate transactional revenue using our Rails module will decline, which could harm our business and results of operations. If we or one or more of these aggregators that represents a significant volume of our Rails transactions overall terminate our partnership, it could have an adverse effect on our business, financial condition, and results of operations.

For the years ended December 31, 2023, 2022, and 2021, Rails module transaction revenue from our largest digital ordering aggregator, DoorDash, Inc., or DoorDash, accounted for an aggregate of 10.5%, 11.1%, and 16.7%, respectively, of our total combined platform and professional services and other revenue, and DoorDash accounted for a majority of our transaction revenue from our Rails module for the years ended December 31, 2023, 2022, and 2021.

***We rely upon Amazon Web Services and other infrastructure providers to operate our platform, and any disruption of or interference with our use of these providers would adversely affect our business, results of operations, and financial condition.***

We outsource substantial portions of our cloud infrastructure to Amazon Web Services, or AWS, Cloudflare, and other infrastructure providers. Our customers need to be able to access our platform at any time, without interruption or degradation of performance. Their failure to access our platform could make us liable for service credits or, in more severe cases, contractual breaches. We are, therefore, vulnerable to service interruptions at AWS, Cloudflare, and other infrastructure providers, which could decrease the number of transactions we process on our platform and negatively impact our revenue. We have experienced, and expect that in the future we may experience interruptions, delays, and outages in service and availability due to a variety of factors, including infrastructure changes, human or software errors, website hosting disruptions, and capacity constraints, including those related to the complexity and number of order permutations. Capacity constraints could be due to a number of potential causes, including technical failures, natural disasters, fraud, or security attacks. In addition, if an infrastructure provider's security is compromised, or our modules or platform are unavailable or our customers or their guests are unable to use our platform within a reasonable amount of time or at all, then our business, results of operations, and financial condition could be adversely affected. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. It may become increasingly difficult to maintain and improve our platform performance, especially during peak usage times, as our platform becomes more complex and the usage of our platform increases. To the extent that we do not effectively address capacity constraints, either through AWS or alternative providers of cloud infrastructure, our business, results of operations, and financial condition may be adversely affected. In addition, any changes in service levels from AWS may adversely affect our ability to meet our customers' requirements.

In addition, AWS provides us with service pursuant to an agreement that continues until terminated by either party. Pursuant to our agreement with AWS, we have committed to spending \$15 million over the three-year period of January 2022 through December 2024. AWS may terminate the agreement by providing 90 days prior written notice, and it may, in some cases, terminate the agreement immediately for cause upon notice. This agreement includes a minimum spending commitment, part of which may be forfeited if we were to switch providers. Although we expect that we could receive similar services from other third parties, arranging alternative cloud infrastructure services could be costly, complicated, and time-consuming, and we could experience interruptions on our platform and in our ability to make our modules available to customers.

Any of the above circumstances or events may harm our reputation, cause customers to stop using our platform, impair our ability to increase revenue from existing customers, impair our ability to grow our customer base, subject us to financial penalties and liabilities under our service level agreements, and otherwise harm our business, results of operations, and financial condition.

***We rely on software licensed from, and services rendered by, third parties in order to provide our modules and run our business.***

We rely on software licensed from, and services rendered by, third parties in order to provide our modules and run our business. Third-party software and services may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use, or any failures of, third-party software or services could result in delays in our ability to provide our modules or run our business until equivalent software or services are developed by us or, if available, identified, obtained, and integrated, which could be costly and time-consuming and may not result in an equivalent module, any of which could cause an adverse effect on our business and results of operations. Further, customers could assert claims against us in connection with such service disruption or cease conducting business with us altogether. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and could seriously damage our reputation and brand, making it harder for us to sell our modules.

**Legal, Regulatory, Compliance, and Reputational Risks**

***Security breaches, denial of service attacks or other hacking and phishing attacks on our systems, or the systems with which our platform integrates, could harm our reputation or subject us to significant liability and adversely affect our business and financial results.***

We operate in the on-demand digital commerce industry, which is prone to cyber-attacks. Cyber incidents have been increasing in sophistication and frequency. We and our third party vendors are at constant risk of cyber-attacks or cyber intrusions via third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, worms, break-ins, spamming, phishing attacks, hacking, ransomware, denial-of-service attacks, card skimming code, and other deliberate attacks and attempts to gain unauthorized access (including from both internal and external sources). Because the techniques used by computer programmers who have in the past and may in the future attempt to penetrate and sabotage our network security or our website change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. Our Board of Directors reviews cybersecurity risks brought to its attention by members of senior management who report up to our Board of Directors. We have an established in-house security team, which is responsible for reviewing and overseeing our cybersecurity program and bringing any cybersecurity risks to the attention of our Board of Directors and the audit committee at regular meetings of the audit committee. Failure to prevent or mitigate security breaches and improper access to or disclosure of our data, our customers' data, or their guests' data, whether for our systems or the systems of vendors, could result in its loss or misuse or unauthorized disclosure of confidential information, interruptions, delays or outages of our products, negative publicity, cause our customers and partners to cease doing business with us, lead to exposure to risk of loss or possible liability due to lawsuits, enforcement actions investigations, regulatory penalties and sanctions, and could harm our business and reputation. The security measures we have integrated into our systems and processes, which are designed to prevent or minimize security breaches, have in the past and may in the future not always function as expected or be sufficient to protect our internal networks and platform against attacks.

Further, our platform also integrates with third-party applications and POS and management systems over which we exercise no control. Such applications and systems are also susceptible to security breaches, which could directly or indirectly result in a breach of our platform. For example, the failure of a customer's third-party front-end provider to adequately protect their systems could result in an attack that we are unable to prevent from the back-end; such an attack could result in a service outage for all our customers, and may require us to take the affected customer offline to restore service to the platform and mitigate the breach. Our exposure to security breaches may be heightened because our platform is accessible through hundreds of our customers' white label domains and mobile applications.

Our storage and use of our customers' data concerning their restaurants and guests is essential to their use of our platform, which stores, transmits, and processes our customers' proprietary information and information relating to them and guests. If a material security breach were to occur, as a result of third-party action, employee error, malfeasance, or otherwise, and the confidentiality, integrity, or availability of our customers' data was disrupted, we could incur significant liability to those customers and their guests. Additionally, because of a security breach our platform could be perceived as less desirable, which could negatively affect our business. In addition, any loss of customer or individual guest data could create significant monetary damages for us that may harm our ability to operate the business.

A security vulnerability in our platform or other integrated software could compromise our customers' in-store networks, which could expose customer or guest information beyond what we collect through our platform. As a multi-tenant SaaS provider, despite our logical separation of data between customers, we may also face an increased risk of accidentally commingling data between customers due to employee error, a software bug, or otherwise, which may result in unauthorized

disclosure of data between customers. We have in the past and could in the future be subject to distributed denial of service, or DDoS, attacks, a technique used by hackers to take an internet service offline by overloading its servers. A DDoS attack could delay or interrupt service to our customers and their guests and prevent guests from ordering from or otherwise engaging with our customers' restaurants. We cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms, and other DDoS-prevention techniques are or will be adequate to prevent network and service interruption, system failure, or data loss. In addition, computer malware, viruses, hacking, credential stuffing, social engineering, phishing, physical theft, and other attacks by third parties are prevalent in our industry. We have in the past and could in the future experience such attacks and, as a result of our increased visibility, we believe that we are increasingly a target for such breaches and attacks. In addition to our own platform and applications, some of the third parties with which we work may receive information from us, our customers, or customers' guests through web or mobile applications integrated with their platforms. If these third parties fail to adhere to adequate data security practices, or in the event of a breach of their networks, our own and our customers' data may be improperly accessed, used, or disclosed.

Any actual or perceived DDoS attack or security breach of our platform, systems, and networks, or of our integrated partners, could damage our reputation and brand, expose us to a risk of litigation and possible liability, and require us to expend significant capital and other resources to respond to and alleviate problems caused by the DDoS attack or security breach. Our ability to retain adequate cyber-crime and liability insurance may be reduced. Some jurisdictions have enacted laws requiring companies to notify individuals of data security breaches involving certain types of personal data and our agreements with certain customers and partners require us to notify them in the event of a security incident. In addition, Form 8-K was modified to require the disclosure of any material cybersecurity incident. Such mandatory disclosures are costly, could lead to negative publicity, and may cause our customers to lose confidence in the effectiveness of our data security measures. Moreover, if a high-profile security breach occurs with respect to another SaaS provider or one of the service providers with which we partner, customers may lose trust in the security of the SaaS business model generally, which could adversely impact our ability to retain revenue from existing customers or attract new ones. Any of these events could harm our reputation or subject us to significant liability, and materially and adversely affect our business and financial results. Although we maintain cyber liability insurance, we cannot be certain that its coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on acceptable terms, or at all.

***We may be subject to claims by third parties of intellectual property infringement.***

The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. Third parties have in the past asserted, and may in the future assert, that our platform, modules, technology, methods, or practices infringe, misappropriate, or otherwise violate their intellectual property or other proprietary rights. Such claims may be made by our competitors seeking to obtain a competitive advantage or by other parties. Additionally, non-practicing entities that purchase intellectual property assets for the purpose of making infringement claims may attempt to extract settlements from us. The risk of claims may increase as the number of modules that we offer and of competitors in our market increases and overlaps occur. In addition, to the extent that we gain greater visibility and market exposure, we face a higher risk of being the subject of intellectual property infringement claims.

Any such claims, regardless of merit, that result in litigation could result in substantial expenses, divert the attention of management, cause significant delays in introducing new or enhanced services or technology, materially disrupt the conduct of our business, and have a material and adverse effect on our brand, business, financial condition, and results of operations. Although we do not believe that our proprietary technology, processes, and methods have been patented by any third party, it is possible that patents have been issued to third parties that cover all or a portion of our business. As a consequence of any patent or other intellectual property claims, we could be required to pay substantial damages, develop non-infringing technology, enter into royalty-bearing licensing agreements, stop selling or marketing some or all of our modules, or re-brand our modules. We may also be obligated to indemnify our customers against intellectual property claims; pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation; and obtain licenses or modify applications, which could be costly. If it appears necessary, we may seek to secure license rights to intellectual property that we are alleged to infringe at a significant cost, potentially even if we believe such claims to be without merit or we have meritorious defenses. If required licenses cannot be obtained, or if existing licenses are not renewed, litigation could result. Litigation is inherently uncertain and can cause us to expend significant money, time, and attention, even if we are ultimately successful. Any adverse decision could result in a loss of our proprietary rights, subject us to significant liabilities, require us to seek licenses for alternative technologies from third parties, prevent us from offering all or a portion of our modules, and otherwise negatively affect our business and operating results.

***If our software contains serious errors or defects, we may lose revenue and market acceptance and may incur costs to defend or settle claims with our customers.***

Software or APIs such as ours have in the past and may in the future contain errors, defects, security vulnerabilities, or software bugs that are difficult to detect or correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities, or software bugs that we may be unable to successfully correct in a timely manner. Such defects could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance, and damage to our reputation and brand, any of which could have an adverse effect on our business and results of operations. For example, our payment processing code could contain a software bug or other misconfiguration, resulting in failure to collect payment for orders that are otherwise fulfilled, which could result in significant refunds to our customers. A software bug could also result in a customer receiving an item other than what they ordered or an ingredient to which they are allergic, causing reputational harm to us. In addition, our tax calculation code may also contain errors or defects, which may result in differences payable by us or fines owed by us. Additionally, our fraud detection software could identify false positives in the system and, in turn, could reduce transactional revenue. Furthermore, our platform allows us to deploy new versions and enhancements to all of our customers simultaneously. To the extent we deploy new versions or enhancements that contain errors, defects, security vulnerabilities, or software bugs to all customers, the consequences would be more severe than if such versions or enhancements were only deployed to a smaller number of our customers.

In addition, our systems are increasingly reliant on machine learning systems, which are complex and may have errors or inadequacies that are not easily detectable. These systems may inadvertently reduce the efficiency of our systems, or may cause unintentional or unexpected outputs that are incorrect, do not match our business goals, do not comply with our policies, or otherwise are inconsistent with our brands, guiding principles, and mission. Any errors or vulnerabilities discovered in our code after release could also result in damage to our reputation, loss of members of our communities, loss of revenue, or liability for damages, any of which could adversely affect our growth prospects and our business.

Because our customers use our platform for processes that are critical to their businesses, errors, defects, security vulnerabilities, service interruptions, or software bugs in our platform, APIs, and systems could result in losses to our customers. Although we endeavor to limit our liability in customer agreements, our customers may be entitled to significant compensation from us in the form of service level credits, pursue litigation against us for any losses they suffer, or cease conducting business with us altogether. Further, a customer could share information about bad experiences on social media, at industry conferences, or with peer companies, which could result in damage to our reputation and loss of future sales. There can be no assurance that provisions typically included in our agreements with our customers that attempt to limit our exposure to such claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, such a claim could be time-consuming and distracting to our management team and costly to defend, and could seriously damage our reputation and brand, making it harder for us to sell our modules.

***We and certain of our third-party partners, service providers, and subprocessors transmit and store personal information of our customers and guests. If the security of this information is compromised or if such information is otherwise accessed without or beyond authorization, our reputation may be harmed and we may be exposed to liability and loss of business.***

We transmit and store personal information and other confidential information of our partners, our customers and their guests, and guests with whom we have a direct relationship. Third-party applications integrated with our platform may also handle or store personal or other confidential information, including credit card data. We do not proactively monitor the content that our customers upload and store, or the information provided to us through the applications integrated with our platform, and we do not directly control the substance of the customer content on our servers, which may include personal information. Additionally, we use dozens of third-party service providers and subprocessors to help us deliver services to customers and guests. These service providers and subprocessors may handle or store personal information, credit card information, or other confidential information. 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 release, 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 data breach did not arise out of our actions or inactions, or directly impact our business, the resulting guest concern arising from a customer or competitor breach could negatively affect our customers and our business.

We integrate with a number of third-party service providers in order to meet our customers' needs, and although we contractually require our customers to ensure the security of such service providers, a security 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. By the nature of the integrations, we could also get directly drawn into any resulting lawsuits. We are also subject to federal, state, provincial, and other laws regarding cybersecurity and data protection. Some jurisdictions have enacted laws requiring companies to notify affected individuals or government agencies of security 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, some jurisdictions, as well as our contracts with certain customers, require us to use industry-standard or reasonable measures to safeguard personal information or confidential information. As credit card information and sensitive authentication data is transmitted through our platform, we may be 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 or confidential information, including payment information, adequately, we could be liable to our partners, our customers, and guests for their losses. As a result, we could be subject to fines, we could face regulatory or other legal action, and our customers could end their relationships with us. 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.

***We are subject to stringent and changing privacy laws, regulations and standards, and contractual obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could harm our reputation, subject us to significant fines and liabilities, or adversely affect our business.***

In the United States, there are numerous federal and state consumer, privacy and data security laws and regulations governing the collection, use, disclosure, and protection of personal information, including security breach notification laws and consumer protection laws. The regulatory framework for privacy and security in the United States is rapidly evolving. Violating consumers' privacy rights, using or disclosing personal information in ways that do not match our public commitments or failing to take appropriate steps to keep personal information secure may constitute deceptive or unfair acts or practices in violation of Section 5(a) of the Federal Trade Commission, or FTC, Act, 15 U.S.C § 45(a). The FTC has broad powers to investigate and to bring enforcement actions that can result in binding consent orders and fines, as do states' attorneys general under comparable state unfair and deceptive act laws. We may also be subject to other laws that are enforced by regulators and private litigants with fines and statutory damages that can result in significant exposure, including those that govern telephone and text message marketing (e.g., the Federal Telephone Consumer Protection Act) and email marketing (e.g., the Federal Controlling the Assault of Non-Solicited Pornography and Marketing Act, and Canada's Anti-Spam Legislation).

Additionally, laws in all 50 states require us to provide notice to affected individuals when certain personal information, including payment information, has been disclosed as a result of a data breach. These laws are frequently inconsistent, and compliance in the event of a widespread data breach is costly. Moreover, states regularly enact new laws and regulations, which require us to provide consumers with certain disclosures related to our privacy practices, as well as maintain systems necessary to allow customers to invoke their rights. For example, the California Consumer Privacy Act of 2018 as amended by the California Privacy Rights Act, or CCPA, provides consumers with certain rights, including to access, correct, and delete their personal information and to opt out of certain practices and also imposes operational requirements for covered businesses. The CCPA provides a private right of action imposing civil penalties against businesses that suffer certain security breaches resulting in exposure of certain sensitive information. The CCPA is already the subject of active enforcement by the California Attorney General and will also be enforced by the new California Privacy Protection Agency. The CCPA may increase our compliance costs and exposure to liability. Several other states, including Colorado, Virginia, Connecticut, Utah, Texas, Oregon, Tennessee, Delaware, and Iowa recently passed and/or enacted new privacy laws similar to the CCPA, some of which took effect in 2023. The effects of these new state laws are potentially significant and may require us to modify our data collection or processing practices and policies and, in turn, incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and litigation.



Further, by diverting internal resources toward compliance, these laws may impede our development and could limit the adoption of our services. Finally, any failure by our vendors to comply with applicable law or regulations could result in proceedings against us by governmental entities or others.

Additionally, virtually every foreign jurisdiction in which our current or potential future customers may operate has established privacy or data security laws, rules, and regulations. For example, in Europe, the collection and use of personal information is governed by the European Union's, or E.U., General Data Protection Regulation and the United Kingdom's, or U.K., implementation of the same, or collectively the GDPR. Among other obligations, the GDPR regulates transfers of personal information from the E.U. and U.K. to non-EU/UK countries, such as the United States, and requires businesses to implement safeguards to protect the security and confidentiality of personal data, provide notification of data breaches, and take certain measures when engaging third-party processors. Under the GDPR, fines of up to €20 million or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain GDPR requirements. Moreover, individuals may claim damages as a result of GDPR violations. Other jurisdictions outside the E.U. and U.K. are similarly introducing or enhancing privacy and data security laws, rules, and regulations, which may increase the risks associated with non-compliance. While we are not currently subject to the GDPR ourselves, many of our customers are subject to the GDPR, and we may be required to assist such customers with their compliance obligations. Assisting our customers in complying with the GDPR, or complying with the GDPR ourselves if we expand our business to the E.U. and U.K. in the future, may cause us to incur substantial operational costs or require us to change our business practices and could increase the cost and complexity of delivering our products and services in some markets and may lead to governmental enforcement actions, litigation, fines and penalties, or adverse publicity, which could have an adverse effect on our reputation and business.

***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 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.

We currently 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 cannot 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 are also in the process of becoming a payment facilitator. This is a complicated process and we are not certain that we will be able to complete this process, as we must meet the requirements of our payment processing partners. If we complete this process, 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 are implementing a process to evaluate the risk posed by our customers and potential customers to minimize the risk of onboarding customers that pose elevated risk of potential losses, including but not limited to losses resulting from data security incidents, instances of fraud, and increased chargebacks. We may be subject to liability from losses caused by such elevated risk customers. Failure to complete the process to become a payment facilitator, or failure to meet the obligations imposed on payment facilitators, could adversely affect our customer relationships, business, reputation, brand, financial condition, and results of operations.

***If we fail to maintain a consistently high level of customer service or if we fail to manage our reputation, our brand, business, and financial results may be harmed.***

We believe our focus on customer service and support is critical to onboarding new customers, retaining our existing customers and growing our business. As a result, we have invested heavily in the quality and training of our support team, along with the tools they use to provide this service. If we are unable to maintain a consistently high level of customer service, we may lose existing customers or fail to increase revenue from existing customers. In addition, our ability to attract new customers is highly dependent on our reputation and on positive recommendations from our existing customers. Any failure to maintain a consistently high level of customer service, or a market perception that we do not maintain high-quality customer service, could adversely affect our reputation and the number of positive customer referrals that we receive.

***We could incur substantial costs in protecting or defending our intellectual property rights, and any failure to protect our intellectual property or prevent third parties from making unauthorized use of our technology could adversely affect our business, results of operations, and financial condition.***

Our success depends, in part, on our ability to protect our brand and the proprietary methods and technologies that we develop under the intellectual property laws of the United States and, potentially in the future, foreign jurisdictions so that we can prevent others from using our inventions and proprietary information. Although we own 14 registered trademarks in the United States, as of December 31, 2023, we hold no issued patents and therefore would not be entitled to exert patents to exclude or prevent our competitors from using our proprietary technology, methods, and processes to the extent independently developed by our competitors.

We rely primarily on trade secret laws and confidentiality agreements with our business partners, employees, consultants, advisors, customers, and other current or prospective partners in our efforts to protect our proprietary technology, confidential information, processes, methods, and intellectual property. These confidentiality agreements may not effectively prevent disclosure of our confidential information or the unauthorized use of our technology, and it may be possible for unauthorized parties to copy our software or other proprietary technology or information, or to develop similar software independently without our having an adequate remedy for unauthorized use or disclosure of our confidential information. In addition, others may independently discover our trade secrets and proprietary information, and in these cases, we would not be able to assert any trade secret rights against those parties. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.



In addition, the laws of some countries do not protect intellectual property and other proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying, transfer, and use of our proprietary technology or information may increase.

We cannot be certain that our means of protecting our intellectual property and proprietary rights will be adequate or that our competitors will not independently develop similar technology. If we fail to meaningfully protect our intellectual property and proprietary rights, our business, results of operations, and financial condition could be adversely affected.

***Any current or future litigation against us could be costly and time-consuming to defend.***

We have in the past and may in the future become subject to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers, our partners or third parties in connection with commercial disputes or our technology or employment claims made by our current or former employees or the current or former employees of companies acquired through acquisitions. Litigation has in the past and may in the future result in substantial costs and may divert management's attention and resources, which might seriously harm our business, financial condition, and results of operations. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more of such claims, and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, potentially harming our business, financial position, and results of operations.

***We use open source software in our platform, which could negatively affect our ability to sell our services or subject us to litigation or other actions.***

We rely on open source software in our proprietary platforms, and we expect to continue to rely on open source software in our platform in the future. The terms of certain open source licenses to which we are subject have not been interpreted by U.S. or foreign courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our platforms. Certain open source projects that we use include other open source software, and there is a risk that this software may be subject to licensing terms inconsistent with the licensing terms of the project, resulting in uncertainties as to the governing terms for the open source software. Moreover, we cannot ensure that we have incorporated and are currently relying on open source software in our platform in a manner that is consistent with the terms of the applicable license or our current policies and procedures. Although we employ open source software license screening measures, if we were to combine our proprietary software platform with open source software in a certain manner, we could, under certain open source licenses, be required to release the source code of our proprietary platform, which could allow our customers and competitors to freely use such software solutions, without compensation to us.

Additionally, we may from time to time face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, required to comply with onerous conditions or restrictions, required to make our proprietary source code for our platform and any modifications and derivative works developed using such open source software generally available at no cost, purchase a costly license, or cease offering the implicated services unless and until we can re-engineer them to avoid use of the open source software in dispute, which could disrupt the business dependent on the affected platforms. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully.

In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. From time to time, there have been claims challenging the ownership rights in open source software against companies that incorporate it into their products, and the licensors of such open source software provide no warranties or indemnities with respect to such claims. As a result, we and our customers could be subject to lawsuits by parties claiming ownership of what we believe to be open source software. Additionally, some open source projects have known vulnerabilities and architectural instabilities and are provided on an "as-is" basis, which if not properly addressed, could negatively affect the performance of our platform. Any of these risks could be difficult to eliminate or manage and, if not addressed, could have a negative effect on our business, results of operations, and financial condition.

***Our brand is integral to our success. If we fail to effectively maintain, promote, and enhance our brand, our business and competitive advantage may be harmed.***

We believe that maintaining, promoting, and enhancing the Olo brand is critical to expanding our business. Maintaining and enhancing our brand will depend largely on our ability to continue to provide high-quality, well-designed, useful, reliable, and innovative modules, which we may not do successfully in the future.

Errors, defects, security incidents, disruptions, or other performance problems with our platform, including with third-party applications, services, or partners, may harm our reputation and brand. We may introduce new suites of solutions, modules or terms of service that our customers or guests do not like, which may negatively affect our brand. Additionally, if our customers or guests have a negative experience using our modules or third-party solutions integrated with our platform, such an experience may affect our brand, especially as and if we continue to attract multi-location restaurant customers to our platform.

We receive significant media coverage in the United States, especially in the restaurant trade press. Any unfavorable media coverage or negative publicity about our company, for example stories criticizing the quality and reliability of our platform or our privacy and security practices; describing the loss or misuse of our customer data or guests' personal information; negatively discussing our platform changes, litigation, or regulatory activity; or raising negative actions of our partners or our customers, could seriously harm our reputation. Such negative publicity could also adversely affect the size, demographics, engagement, and loyalty of our customers, and result in decreased revenue, which could seriously harm our business.

We believe that the importance of brand recognition will increase as competition in our market increases. In addition to our ability to provide reliable and useful modules at competitive prices, successful promotion of our brand will depend on the effectiveness of our marketing efforts. While we primarily market our platform through direct sales efforts, our platform is also marketed through a number of free traffic sources, including customer referrals and word-of-mouth. Our efforts to market our brand have involved significant expenses, which we intend to increase, and as our market becomes increasingly competitive, these marketing initiatives may become increasingly difficult and expensive. Our marketing spend may not yield increased revenue and, even if it does, any increased revenue may not offset the expenses we incur in building and maintaining our brand.

***Activities of customers or partners or the content of our customers' websites or mobile applications could damage our brand, subject us to liability, and harm our business and financial results.***

Our terms of service and acceptable use policy prohibit our customers and partners from using our platform to engage in illegal or otherwise prohibited activities, and our terms of service and acceptable use policy permit us to terminate a customer's or partner's account if we become aware of such use. Customers or partners may, nonetheless, engage in prohibited or illegal activities, including in connection with their use of our products and services, which could subject us to civil or governmental liability or enforcement. We do not proactively monitor or review the appropriateness of the content of our customers' websites or mobile applications, and we do not have control over such content or our customers' activities. The safeguards we have in place may not be sufficient for us to avoid liability, including through litigation, or avoid harm to our brand, especially if such inappropriate or illegal use is high profile, which could adversely affect our business and financial results. In addition, if we expand internationally, we may be subject to similar actions in foreign jurisdictions alleging that customers' store content violates laws in foreign jurisdictions.

***Our DSPs and other partners may be subject to pricing, licensing, and data regulations, which may impact our business.***

Our DSPs and other partners' revenue is dependent on the pricing models they use to calculate earnings. In particular, the DSPs' pricing models have been, and will likely continue to be, challenged, banned, limited in emergencies, and capped in certain jurisdictions. An increasing number of municipalities have proposed delivery network fee caps with respect to DSPs' delivery offerings. For example, in 2022, New York City began requiring DSPs to obtain a license in order to do business within the city; instituted a percentage cap on service, transaction, and other fees that DSPs may charge food service establishments; and began allowing food delivery workers to unilaterally cap the distances they are required to travel for delivery. Additional regulation of the DSPs, including with regard to licensing, sharing of end user data, and classifying workers as employees or independent contractors, could increase their operating costs and adversely affect their business, which may in turn adversely affect our business. For instance, the Department of Labor's "Final Rule: Employee or Independent Contractor Classification Under the Fair Labor Standards Act, RIN 1235-AA43," or other applicable law, could be interpreted or applied to deem DSPs employees rather than independent contractors. Furthermore, our partners may be forced to change

their pricing models, or otherwise limit or abandon their business operations altogether, in jurisdictions where laws or regulations significantly impact their business, which could ultimately harm our revenue.

***We may use artificial intelligence in our business, and challenges with properly managing its use could result in reputational harm, competitive harm, and legal liability, and adversely affect our results of operations.***

We have in the past and may in the future incorporate machine learning and AI solutions into our platform, modules, services, and features, and these applications have become and may continue to become increasingly important in our operations over time. For example, OrderReady AI is our machine-learning-based solution that is built to enable brands to provide more accurate quote times. Our competitors or other third parties may incorporate AI into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, if the content, analyses, or recommendations that AI applications assist in producing are or are alleged to be deficient, inaccurate, or biased, our business, financial condition, and results of operations may be adversely affected. AI technologies, including generative AI, may create content that appears correct but is factually inaccurate or flawed, or contains copyrighted or other protected material, and if our customers or others use this flawed content to their detriment, we may be exposed to brand or reputational harm, competitive harm, and/or legal liability. Developing, testing, and deploying AI systems may also increase the cost profile of our offerings due to the nature of the computing costs involved in such systems. In addition, the use of AI applications has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal data of end users of such applications. Any such cybersecurity incidents related to our use of AI applications could adversely affect our reputation and results of operations. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, increased research and development costs, or legal liability. The rapid evolution of AI, including potential government regulation of AI, has in the past and will in the future require significant resources to develop, test, and maintain our platform, modules, services, and features to help us implement AI ethically in order to minimize unintended, harmful impact.

#### **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, we announced a workforce reduction impacting approximately 11% of our workforce 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 Plan. The workforce reduction 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.

***We are dependent on the continued services and performance of our senior management and other key employees, the loss of any of whom could adversely affect our business, operating results, and financial condition. We may also engage the services of third parties who provide consulting services to support our business and the failure to identify and/or retain such third parties could adversely affect our business, operating results, and financial condition.***

Our future performance depends on the continued services and contributions of our senior management, including our Founder and Chief Executive Officer, Noah H. Glass, and other key employees to execute on our business plan, keep our platform stable and secure, and identify and pursue new opportunities and platform innovations. The failure to properly manage succession plans or the loss of services of senior management or other key employees could significantly delay or prevent the achievement of our strategic objectives. From time to time, there may be changes in our senior management team resulting from the hiring or departure of executives, which could disrupt our business. We do not maintain key person life insurance policies on any of our employees with the exception of Noah H. Glass, our Founder and Chief Executive Officer. The loss of the services of one or more of our senior management or other key employees for any reason could adversely affect our business, financial condition, and operating results, and require significant amounts of time, training, and resources to find suitable replacements and integrate them within our business, and could affect our corporate culture.

We engage the services of third parties who provide us with certain consulting services to support our business. Any failure to identify and/or retain such third parties could adversely affect our business, operating results, and financial condition and could require significant amounts of time and resources to find suitable replacements.

***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 reduction we have implemented as part of our Restructuring Plan 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.

## **Industry Risks**

***Unfavorable conditions in our industry or the global economy, or reductions in digital ordering transaction volume or technology spending, have in the past and could in the future adversely impact the health of our customers, limit our ability to grow our business, and negatively affect our results of operations.***

Our results of operations have in the past and may in the future vary based on the impact of changes in our industry or the global economy on us or our customers and potential customers. In recent months, we have observed increased economic uncertainty in the United States and abroad. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from changes in gross domestic product growth, decreases in restaurant and digital ordering spending, inflationary pressures, elevated interest rates, lower consumer confidence or uneven or lower spending, volatile capital markets, the impact of a housing crisis and other conditions in the residential real estate and mortgage markets, gasoline prices, energy and other utility costs, inclement weather, health care costs, access to credit, disposable consumer income, availability of continued federal economic stimulus and other governmental efforts, financial and credit market fluctuations,

international trade relations, political turmoil, natural catastrophes, epidemics, warfare, including the ongoing war in Ukraine, evolving events in Israel, Gaza, and the Middle East, and terrorist attacks on the United States, Canada, or elsewhere, could cause a reduction in customer locations and digital ordering transaction volumes, a decrease in business investments, including spending on technology, or business interruptions, and negative impacts to the growth of our business, revenue, and earnings.

More specifically, we are heavily reliant on the restaurant, food, and delivery industries, and any downturn or shift in those industries could significantly impact our results. In poor or uncertain economic conditions, restaurant guest traffic could be adversely impacted if guests choose to dine out or order less frequently or reduce the amount they spend on meals. In addition, inflation and the rising costs of food and labor have caused some businesses in the restaurant food and delivery industries to raise their prices which, for some businesses, has caused a decline in guest traffic. Further, to the extent there is a sustained general economic downturn and our solutions are perceived by existing and potential restaurant customers as costly, or too difficult to deploy or migrate to, our revenue may be disproportionately affected by delays or reductions in on-demand digital commerce spending. For example, we have in the past observed elongated sales cycles. Competitors may respond to market conditions by lowering prices and attempting to lure away our customers. Additionally, reports, whether true or not, of foodborne illnesses and injuries caused by food tampering have severely injured the reputations of participants in the food business and the restaurant industry generally, and could continue to do so in the future, and those reports could harm our business and results of operations. The potential for acts of terrorism on the United States' food supply also exists and, if such an event occurs, it could harm our business and results of operations.

In addition, we contract directly with our DSPs to provide delivery services to our restaurant customers through our Dispatch module and then invoice our restaurant customers for the cost associated with DSP services. As a result, we may be required to make payments to DSPs prior to receiving payment from our restaurant customers for DSP transactions, which could reduce the amount of cash and cash equivalents we have available for the period between payment to the DSPs and receipt of payment from the restaurant customer. In addition, restaurant customers have in the past and could in the future go out of business, become insolvent, or otherwise be unable to pay for DSP transactions, and we are responsible for making payments to the DSPs that our customers otherwise would have made, which adversely affects our business. Furthermore, our DSPs and other vendors, suppliers or partners may raise prices due to inflation, rising costs, or changing regulations. If this occurs, we may not be able to pass on these increased costs to our restaurant customers. This may materially and adversely affect our business, including our competitive position, market share, revenues, and earnings.

Lastly, the increased pace of consolidation in the restaurant industry, the loss of partners that may have gone out of business or may have merged with other of our partners, or of the acquisition of our customers by other companies that do not use our solutions, may result in reduced overall spending on our platform. We cannot predict the timing, strength, or duration of any economic slowdown, instability, or recovery, generally or within the restaurant industry. If the economic conditions of the general economy or markets in which we operate worsen, our business, results of operations, and financial condition could be materially and adversely affected.

***Increases in food, labor, rent, energy, and occupancy costs could adversely affect results of operations.***

Our financial success is dependent, in part, on the ability of our restaurant customers to increase digital ordering and maintain profitability. These customers have in the past and may in the future experience increased operating costs, including as a result of changes to food, labor, rent, energy, occupancy, insurance, and supply costs, and they may be unable to recover these costs through increased menu prices, and as a result, may cease operations. Additionally, if our restaurant customers raise prices in light of these factors, order volume may decline, which could harm our revenue and results of operations. For example, some of our restaurant customers raised prices in 2023 and we observed a decline in order volume following such price increases.

Various factors beyond our control, including government regulations relating to independent contractor classifications, price controls on food delivery logistics platforms, labor shortages, supply constraints, inflation, and minimum wage increases, may also affect the total cost of digital food orders to guests. The overall cost environment for food commodities can also be volatile due to domestic and worldwide agricultural supply and demand and other macroeconomic factors that are outside of our control. If our current or future customers and partners are unable to maintain or increase digital orders or maintain profitability, our business, financial condition, and results of operations could be harmed.

## Risks Related to Ownership of Our Class A Common Stock

***We expect fluctuations in our financial results, making it difficult to project future results, and if we fail to meet the expectations of securities analysts or investors with respect to our results of operations, our stock price and the value of your investment could decline.***

Our quarterly operating results, including our revenues, operating margin, profitability, cash flow, number of locations, and transaction volumes have in the past and may in the future vary significantly and period-to-period comparisons of our operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, and as a result, may not fully reflect the underlying performance of our business. Fluctuations in our quarterly results and related impacts to any earnings guidance we may issue from time to time, including any modification or withdrawal thereof, may negatively impact the value of our securities. Additional factors that may cause fluctuations in our quarterly financial results include, without limitation, those listed below:

- fluctuations in demand for or pricing of our platform or any of our modules, including any governmental regulations that restrict the amount we can charge;
- fluctuations in usage of our platform or any of our modules, including due to the potential lack of durability of the growth we have experienced in the past due to the COVID-19 pandemic;
- our ability to attract new customers;
- our ability to retain our existing customers;
- our ability to retain and increase revenue, locations, and transaction volumes from existing customers;
- delays in our customers' adoption of new products, including Olo Pay;
- the timing of our customer purchases and deployments;
- the amount of time it takes for our customers to be onboarded to our platform and modules;
- customer expansion rates and the pricing and quantity of subscriptions renewed and transactions processed through our platform;
- competition and the actions of our competitors, including pricing changes and the introduction of new products, services, and geographies;
- reductions in pricing or customer locations, including as a result of negotiations with our larger customers;
- changes in the size and complexity of our customer relationships;
- actions by our customers related to implementation of internal or competitive products and tools that may displace their need for our services;
- changes in spending by our existing or prospective customers and their guests;
- pricing our platform subscriptions effectively so that we are able to attract and retain customers without compromising our profitability;
- customer renewal rates and the amounts for which agreements are renewed;
- timing and amount of our investments to expand the capacity of our third-party cloud infrastructure providers;
- the investment in and success of new modules relative to our existing infrastructure and platform;
- fluctuations or delays in purchasing decisions in anticipation of new modules or enhancements by us or our competitors;
- changes in customers' budgets and in the timing of their budget cycles and purchasing decisions;
- our ability to control costs, including our operating expenses;
- the amount and timing of payment for operating expenses, particularly research and development and sales and marketing expenses, including sales commissions;
- the amount and timing of non-cash expenses, including stock-based compensation, goodwill or other asset impairments, if any, and other non-cash charges;
- the amount and timing of costs associated with recruiting, training, and integrating new employees, and retaining and motivating existing employees;
- the effects of acquisitions and their integration;

- the inability to execute on our share repurchase program as planned, including failure to meet internal or external expectations around the timing or price of share repurchases, and any reductions or discontinuations of repurchases thereunder;
- general economic conditions, both domestically and internationally, as well as economic conditions (including rising inflation and interest rates) specifically affecting industries in which our customers participate;
- health epidemics or pandemics;
- the impact of new accounting pronouncements;
- changes in regulatory or legal environments that may cause us to incur, among other elements, expenses associated with compliance;
- changes in the competitive dynamics of our market, including consolidation among competitors or customers; and
- significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our modules and platform capabilities or third-party applications or POS or management systems with which our platform integrates.

Any of these and other factors, or the cumulative effect of some of these factors, may cause our results of operations to vary significantly. If our results of operations or key performance indicators fall below the expectations of investors and securities analysts who follow our stock, the price of our Class A common stock could decline substantially, and we could face costly lawsuits, including securities class action suits, such as the class action lawsuit filed on September 26, 2022. A description of our legal proceedings can be found in “Legal Proceedings” included in Part I, Item 3, and “Note 16—Commitments and Contingencies” of the notes to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

***The dual-class structure of our common stock has the effect of concentrating voting control with our existing stockholders, executive officers, directors, and their affiliates, which will limit your ability to influence the outcome of important transactions and to influence corporate governance matters, such as electing directors, and to approve material mergers, acquisitions, or other business combination transactions that may not be aligned with your interests.***

Our Class B common stock has ten votes per share, whereas our Class A common stock has one vote per share. As of December 31, 2023, holders of our Class B common stock collectively owned shares representing approximately 83% of the voting power of our outstanding capital stock. As of December 31, 2023, our directors and executive officers and their affiliates collectively beneficially owned, in the aggregate, shares representing approximately 84% of the voting power of our outstanding capital stock.

As a result, the holders of our Class B common stock are able to exercise considerable influence over matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our company or our assets, even if their stock holdings represent less than a majority of the outstanding shares of our capital stock. This concentration of ownership limits the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could involve risks to you or that may not be aligned with your interests. This control may adversely affect the market price of our Class A common stock.

Further, future transfers by holders of our Class B common stock will generally result in those shares converting into shares of our Class A common stock, subject to limited exceptions, such as certain transfers effected for tax or estate planning purposes. The conversion of shares of our Class B common stock into shares of our Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long-term.

In addition, while we do not expect to issue any additional shares of Class B common stock, any future issuances of Class B common stock would be dilutive to holders of Class A common stock. Such issuances would also reduce the voting power of our Class A common stock as compared to Class B common stock and could further concentrate the voting power of holders of our Class B common stock relative to holders of our Class A common stock.

***We may not realize the anticipated long-term stockholder value of our share repurchase program, 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.***

On September 7, 2022, our Board of Directors authorized a program to repurchase up to \$100 million of our Class A common stock, or the Stock 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. Our repurchase program does not have an expiration date and does not obligate us to repurchase any specific dollar amount or to acquire any specific number of shares. Further, the 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 the Stock Buyback Program could cause our stock price to trade higher than it otherwise would. Although the program is intended to enhance long-term stockholder value, there is no assurance it 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 program.

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 the Stock Buyback Program. 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.

***If our operating and financial performance in any given period does not meet the guidance that we provide to the public or the expectations of investment analysts, the market price of our Class A common stock may decline.***

We may, but are not obligated to, continue to provide public guidance on our expected operating and financial results for future periods. Any such guidance will comprise forward-looking statements, subject to the risks, assumptions, and uncertainties described in this Annual Report on Form 10-K and in our other public filings and public statements. Our ability to provide this public guidance, and our ability to accurately forecast our results of operations, may be impacted by changes in the macroeconomic and geopolitical environment as well as any resurgence in the spread of COVID-19 or variants thereof. In addition, various news sources, bloggers, and other publishers often make statements regarding our historical or projected business or financial performance, and you should not rely on any such information even if it is attributed directly or indirectly to us. Our actual results may not always be in line with or exceed any guidance we have provided or the consensus of third parties, and may differ materially from such projections, especially in times of economic uncertainty, such as the current macroeconomic and geopolitical environment, the war in Ukraine, evolving events in Israel, Gaza, and the Middle East, rising and fluctuating interest rates and inflation, potential recessionary factors and other factors. Factors that could cause or contribute to such differences include, but are not limited to, those identified in these Risk Factors, some or all of which are not predictable or in our control. For example, if we fail to predict the impacts that the evolution of macroeconomic conditions will have on our business and the duration of these impacts, the guidance and other forward-looking statements we provide may also be incorrect or incomplete. Other unknown or unpredictable factors also could adversely impact our performance, and we undertake no obligation to update or revise any projections, whether as a result of new information, future events or otherwise.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock. Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this Risk Factors section in this report could result in the actual operating results being different from our guidance, and the differences may be adverse and material. If our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we continue to reduce our guidance for future periods, the market price of our Class A common stock may decline. While we currently issue public guidance, there can be no assurance that we will continue to do so in the future.

***Our stock price may be volatile, and the value of our Class A common stock may decline.***

The market price of our Class A common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- price and volume fluctuations in the overall stock market from time to time, including fluctuations due to general economic uncertainty or negative market sentiment, rising and fluctuating inflation, and interest rates;



- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in the pricing and adoption rates of our modules;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our platform and modules;
- investor sentiment and the public's reaction to announcements by us or our competitors of significant business developments, acquisitions, or new offerings;
- the trading volume of our Class A common stock;
- future sales of our Class A common stock by us or our stockholders;
- our involvement in litigation;
- significant data breaches;
- disruptions to or other incidents involving our software;
- changes in senior management or key personnel;
- investors' perceptions that our internal controls are inadequate;
- changes in the anticipated future size and growth rate of our markets; and
- general economic conditions and slow or negative growth of our markets.

Broad market and industry fluctuations, as well as general economic, political, regulatory, and market conditions, may also negatively impact the market price of our Class A common stock. In addition, the stock market in general, and the market for technology companies in particular, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our Class A common stock, regardless of our actual operating performance.

In the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. Securities litigation against us, such as the class action lawsuit filed on September 26, 2022, could result in substantial costs and divert our management's attention and resources from our business, and, if the claims are successful, our business could be harmed. This risk could materially adversely affect our business, results of operations, and financial condition. A description of our legal proceedings can be found in "Legal Proceedings" included in Part I, Item 3, and "Note 16—Commitments and Contingencies" of the notes to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. The occurrence of one or more of the foregoing and other factors may cause our results of operations to vary significantly. In addition, a significant percentage of our operating expenses is fixed in nature and is based on forecasted revenue and trends. Accordingly, in the event of a revenue shortfall, we may not be able to mitigate the negative impact on our income (loss) and margins in the short-term. If we fail to meet or exceed the expectations of investors or securities analysts as a result of a revenue shortfall or otherwise, then the trading price of our Class A common stock could fall substantially.

***We cannot predict the impact our dual-class structure may have on the market price of our Class A common stock.***

We cannot predict whether our dual-class structure, combined with the concentrated control of our stockholders who held our capital stock prior to the completion of our IPO, including our executive officers, employees, and directors and their affiliates, will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple class share structures in certain of their indices. In July 2017, FTSE Russell and Standard & Poor's announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in any of these indices. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

***Future sales of our Class A common stock in the public market could cause the market price of our Class A common stock to decline.***

Sales of a substantial number of shares of our Class A common stock in the public market, or the perception that these sales might occur, could depress the market price of our Class A common stock and could impair our ability to raise capital through the sale of additional equity securities. Many of our existing equity holders have substantial unrecognized gains on the value of the equity they hold, and therefore they may take steps to sell their shares or otherwise secure the unrecognized gains

on those shares. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our Class A common stock.

We have registered all of the shares of Class A common stock issuable upon exercise of outstanding options or other equity incentives we may grant in the future, for public resale under the Securities Act. The shares of Class A common stock will become eligible for sale in the public market to the extent such options are exercised, subject to compliance with applicable securities laws.

As of December 31, 2023, holders of a substantial number of shares of our capital stock outstanding as of such date, had rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

***Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other stockholders.***

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors, and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. For example, in connection with the consummation of the Wisely Acquisition, we issued shares of our Class A Common Stock to Wisely security holders. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

***We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.***

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board of Directors. Accordingly, you may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

***Our management team has limited experience managing a public company.***

Our management team has limited experience managing a publicly-traded company, interacting with public company investors and securities analysts, and complying with the increasingly complex laws pertaining to public companies. These new obligations and constituents require significant attention from our management team and could divert their attention away from the day-to-day management of our business, which could harm our business, results of operations, and financial condition.

***We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.***

As a public company, we incur significant legal, accounting, and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NYSE, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly.

***Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and limit the market price of our Class A common stock.***

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws include provisions that:

- authorize our Board of Directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our Board of Directors that may be senior to our common stock;

- require that any action to be taken by our stockholders be affected at a duly called annual or special meeting and not by written consent;
- specify that special meetings of our stockholders can be called only by our Board of Directors, the chairperson of our Board of Directors, or our Chief Executive Officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our Board of Directors;
- establish that our Board of Directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of at least 66 2/3% of our outstanding shares of common stock;
- provide that vacancies on our Board of Directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our Board of Directors or the holders of at least 66 2/3% of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any “interested” stockholder for a period of three years following the date on which the stockholder became an “interested” stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our Class A common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our Class A common stock in an acquisition.

***Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware and the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which may restrict our stockholders’ ability to choose the judicial forum for disputes with us or our directors, officers, or employees.***

Our amended and restated certificate of incorporation provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware is the exclusive forum for the following types of claims or causes of action under Delaware statutory or common law: any derivative claims or causes of action brought on our behalf; any claims or causes of action for breach of a fiduciary duty owed by any current or former director, officer, or other employee of ours; any action asserting a claim arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; any claim or cause of action seeking to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; any claim or causes of action as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; or any action asserting a claim against us that is governed by the internal affairs doctrine; provided, however, that these provisions do not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act, or the Securities Act of 1933, as amended, or the Securities Act. In addition, our amended and restated certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. In addition, our amended and restated articles of incorporation provide that any person or entity purchasing or otherwise acquiring any interest in any security of ours is deemed to have notice of and consented to these provisions; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

These choice of forum provisions may impose additional litigation costs on stockholders in pursuing such claims, and may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage the filing of lawsuits against us and our directors, officers, and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court and other states courts have upheld the validity of federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court, there is uncertainty as to whether other courts will enforce our federal forum provision. If a court were to find either choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such matters.

**Item 1B. Unresolved Staff Comments.**

None.

**Item 1C. Cybersecurity.**

**Cybersecurity Risk Management**

Cybersecurity risk management is a significant part of our overall risk management process. Our cybersecurity risk management program is informed by security frameworks and standards, such as PCI DSS, ISO 27001, and CIS Controls. We have designed and implemented various information security processes that are intended to protect the confidentiality, integrity, security, and availability of our critical systems and information and provide a cross-functional framework for identifying, preventing, and mitigating cybersecurity threats and incidents, including threats and incidents associated with the use of applications developed and services provided by third-party service providers.

Our cybersecurity risk management program includes:

- an internal security team, led by our Chief Information Security Officer, or CISO, which is responsible for, among other matters, monitoring our platform through penetration testing and vulnerability scanning, managing our cybersecurity risk assessment processes, and implementing our security controls;
- an annual risk assessment performed by our internal security team designed to identify material cybersecurity risks to our critical systems, information, products, services, and our broader enterprise IT environment;
- a cybersecurity incident response plan, or IRP, that establishes an organizational framework and guidelines to assist us in identifying, responding to, and recovering from cybersecurity incidents;
- the use of external service providers, where appropriate, to assess, test, or otherwise assist with other services, such as performing third-party penetration testing, assisting with incident response, and facilitating adversary simulations;
- annual cybersecurity awareness training for our employees and additional training for engineers, technical team members, members of the cybersecurity incident response team, or CSIRT, and our Board of Directors;
- a third-party risk management process for service providers and vendors, which includes review by the internal security team at onboarding and, for certain significant vendors, an annual security review; and
- an insurance policy to help mitigate, in certain circumstances, potential liabilities resulting from cybersecurity incidents and other cyber issues.

To date, risks from cybersecurity threats have not materially affected, and we do not believe they are reasonably likely to materially affect, us, our business strategy, results of operations or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats or incidents. For more information about these risks, please refer to the section entitled "Risk Factors" in this Annual Report on Form 10-K.

**Cybersecurity Governance**

Our Board of Directors exercises oversight over our risk management process directly, as well as through its various standing committees that address risks inherent in their respective areas of oversight. In particular, our Board of Directors delegates cybersecurity risk management oversight to the audit committee of the Board of Directors. The audit committee oversees our cybersecurity processes and policies on risk identification, management, and assessment. The audit committee also reviews the adequacy and effectiveness of such policies, as well as the steps taken by management to mitigate or otherwise control these cybersecurity exposures and to identify future risks. The audit committee receives periodic reports from our CISO and General Counsel, or GC, on material cybersecurity risks, developments in cybersecurity, ongoing priorities and work of the governance, risk, and compliance committee, or the GRC Committee, updated risk assessments of our cybersecurity program, and mitigation strategies. The GC is also tasked with reporting on material cybersecurity incidents, if any, to the audit committee.

Our cybersecurity risk management processes are implemented, assessed, and managed by certain members of Olo management, including our CISO and GC. Our CISO has 25 years of experience in information technology and risk management at various companies, such as Yum Brands, Inc. and Domino's Pizza, Inc. He is also an ISC2 Certified Information Systems Security Professional. Our GC received a cybersecurity oversight certification from the National Cybersecurity Center. Both act as chairs of our GRC Committee. The GRC Committee provides direction, oversight, and management of our cybersecurity and privacy programs with a focus on business objectives, the protection of customer and employee data, safeguarding our systems, and complying with applicable laws, regulations, and contractual obligations. Cross-functional leaders within Olo, including members from our information technology, data science, finance, legal, and people & culture teams, are part of the committee. Our GRC Committee meets periodically to align cybersecurity and privacy strategy with business needs and risk appetite, monitor the execution of key cybersecurity initiatives, and serve as an escalation point for any related issues.

Olo's IRP is also designed to escalate certain cybersecurity incidents to members of management, depending on the circumstances. Our internal security team, among others, works with our CSIRT to help assess, mitigate, and remediate cybersecurity incidents of which they are notified. Our GC, as the CSIRT leader, directs and coordinates CSIRT's activities, in consultation with the CISO and other members of management. In addition, the IRP includes processes for reporting to the audit committee and our Board of Directors certain cybersecurity incidents.

**Item 2. *Properties.***

Our principal executive offices are located in New York City, where we lease approximately 12,200 square feet at 99 Hudson Street, 10th Floor, New York, New York 10013 under a lease that expires in March 2025.

We also lease approximately 36,100 square feet at One World Trade Center in New York under a lease that expires in May 2030.

We use each current facility for our single operating segment and believe that such facilities are adequate to meet our current needs.

**Item 3. *Legal Proceedings.***

A description of our legal proceedings is included in and incorporated by reference to "Note 16—Commitments and Contingencies" of the notes to our consolidated financial statements included in Part 2, Item 8 of this Annual Report on Form 10-K.

**Item 4. *Mine Safety Disclosures.***

Not applicable.

## PART II

### Item 5. *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities*

#### **Certain Information Regarding the Trading of Our Common Stock**

Our Class A common stock began trading on the New York Stock Exchange under the symbol "OLO" on March 17, 2021. Prior to that date, there was no public trading market for our Class A common stock.

Our Class B common stock is not listed or traded on any stock exchange.

#### **Holders of Record**

As of February 16, 2024, there were approximately 28 stockholders of record of our Class A common stock. The number of stockholders of record is based upon the actual number of holders registered on this date and does not include holders of common stock in "street name" by brokers or other entities on behalf of stockholders.

As of February 16, 2024, there were approximately 10 stockholders of record of our Class B common stock.

#### **Dividends**

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. In addition, our loan and security agreement with Pacific Western Bank contains restrictive covenants that prohibit us, subject to certain exceptions, from paying dividends on our Class A common stock and Class B common stock, and future debt securities or other financing arrangements could contain similar or more restrictive negative covenants. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our Board of Directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, including in our then-existing debt arrangements, capital requirements, business prospects, and other factors our Board of Directors may deem relevant.

#### **Unregistered Sales of Equity Securities**

None.

#### **Securities Authorized for Issuance Under Equity Compensation Plans**

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report on Form 10-K.

#### **Use of Proceeds from Initial Public Offering**

On March 16, 2021, our registration statement on Form S-1 (File No. 333-253314) was declared effective by the SEC for our IPO. There has been no material change in the planned use of proceeds from our IPO from those disclosed in our final prospectus dated March 16, 2021 and filed with the SEC pursuant to Rule 424(b) under the Securities Act.

## Issuer Purchases of Equity Securities

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

	Total Number of Shares Purchased	Average Price Paid per Share <sup>(1)</sup>	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) <sup>(2)</sup>
October 1 - 31, 2023	644,141	\$ 5.66	644,141	\$ 33,341
November 1 - 30, 2023	1,280,778	4.99	1,280,778	26,948
December 1 - 31, 2023	848,719	5.72	848,719	22,097
Total	2,773,638		2,773,638	22,097

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

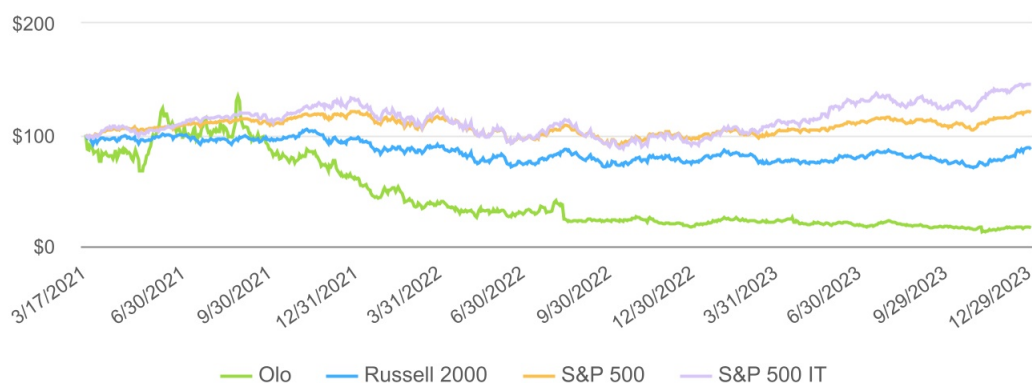
(2) On September 7, 2022, we announced a program to repurchase up to \$100 million of our Class A common stock, or the Stock Buyback Program. The Stock Buyback Program has no expiration date and may be modified, suspended or terminated at any time by our Board of Directors at its discretion. The \$22.1 million in the table above represents the amount available to repurchase shares under the Stock Buyback Program as of December 31, 2023. The Stock Buyback Program does not obligate us to acquire any specific number of shares. Under the Stock Buyback Program, shares may be repurchased in privately negotiated and/or open market transactions, including under plans complying with Rule 10b5-1 under the Exchange Act.

## Performance Graph

*This performance graph shall not be deemed "soliciting material" or to be "filed" with the SEC for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filing of Olo Inc. under the Securities Act or the Exchange Act.*

The following graph compares the cumulative total return to stockholders on our Class A common stock with the cumulative total returns of the Russell 2000, the Standard & Poor's 500 Index, or the S&P 500, and the S&P 500 Information Technology Sector Index, or the S&P 500 IT. An investment of \$100 is assumed to have been made in our Class A common stock and in each index on March 17, 2021, the date our Class A common stock began trading on the New York Stock Exchange, and its relative performance is tracked through December 29, 2023, the last trading date of fiscal year 2023. The graph uses the closing market price on March 17, 2021 of \$34.75 per share as the initial value of our Class A common stock.

The returns shown are based on historical results and are not intended to suggest future performance.



Item 6. [Reserved]

**Item 7. 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 consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. 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 of 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 below and elsewhere in this Annual Report on Form 10-K, particularly in the sections entitled "Risk Factors" and "Special Note Regarding Forward-Looking Statements." We have omitted discussion of fiscal year 2022 compared to fiscal year 2021 where it would be redundant to the discussion previously included in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC, on February 24, 2023.*

**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 December 31, 2023, our customer base included approximately 700 restaurant brands, representing approximately 80,000 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 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 customer 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. We have never experienced a material breach of customer or guest data. Our open SaaS platform integrates with over 300 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 approximated 120% for the three months ended December 31, 2023. 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 includes revenue generated primarily 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. In addition, Wingstop Inc. recently announced an initiative to develop their own technology solution, which they expect to roll out beginning in the second quarter of 2024. Starting in the third quarter of 2024, Wingstop Inc. will begin using our Voice ordering module. Management does not believe that the change to the Wingstop Inc. relationship will 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 year ended, or as of, each of the dates presented:

	Year Ended December 31,	
	2023	2022
Average Revenue Per Unit	\$ 2,702	\$ 2,189
Ending Active Locations	80,000	87,000

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 December 31, 2023, net revenue retention was approximately 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 approximately 700 existing brands across approximately 80,000 active locations as of December 31, 2023. We define an “active location” as a unique restaurant location that is utilizing one or more of our modules in, or at the end of, a quarterly period (depending on the module). Given this definition, active locations in any one quarter may not reflect: (i) the future impact of new customer wins as it can take some time for their locations to go live with our platform, or (ii) the customers who have indicated their intent to reduce or terminate their use of our platform in future periods. Of further note, not all of our customer locations may choose to utilize our products, and while we aim to deploy all of a customer’s locations, not all locations may ultimately deploy. 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.

From 2022 to 2023, we experienced an increase in penetration of our product modules, with brands utilizing 3.5 modules per location on average as of December 31, 2023, as compared to 3.0 modules as of December 31, 2022. We believe this demonstrates an opportunity to further increase revenue within our existing customer base by expanding and deploying additional modules. We believe that we are well-positioned to upsell our remaining customers, as our modules provide significant value, are simple to add, and operate seamlessly together. In addition, we intend to continue to work with our existing brand customers in implementing their digital strategies, which we expect will promote continued growth. We believe this demonstrates our ability to grow within our customer base through the development of our products that our customers value.

We work to build relationships with the fastest growing restaurant brands in the industry, enabling us to grow our revenue as our customers scale their locations. As our customers expand locations, we are well positioned to expand to new locations beyond the existing 80,000 active locations that we serve. Our contracts with our customers provide that our modules may be implemented across an entire restaurant chain, growing as our customers expand locations. Our ability to increase sales to existing customers will depend on a number of factors, including our customers’ satisfaction with our platform, competition, pricing, and the overall shift in the market to digital ordering and delivery.

#### ***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.

## **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, and sales and marketing expenses. 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 slightly on an absolute dollar basis, but to decrease as a percentage of revenue in the short-term, 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, hiring additional sales representatives, and 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 corporate reorganization in the second quarter of 2023, which entailed a reduction of workforce.

#### ***Other Income (Expenses), Net***

Other income (expenses), net in 2023 and 2022 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.

#### *Change in Fair Value of Redeemable Convertible Preferred Stock Warrant Liability*

The change in the fair value of warrant liability in 2021 relates to warrants issued to purchase our redeemable convertible preferred stock that are classified as liabilities on the balance sheet. Prior to the IPO, warrants to purchase 1,682,847 shares of our outstanding redeemable convertible preferred stock were exercised and converted into redeemable convertible preferred stock. Upon completion of the IPO, all shares of our outstanding redeemable convertible preferred stock, inclusive of the shares issued pursuant to these warrant exercises, converted into 100,196,780 shares of Class B common stock. As a result, we no longer have a change in fair value of redeemable convertible preferred stock warrant liability.

#### ***Provision (Benefit) for Income Taxes***

Provision (benefit) 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:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Revenue:			
Platform	\$ 225,179	\$ 181,293	\$ 144,446
Professional services and other	3,110	4,111	4,922
Total revenue	228,289	185,404	149,368
Cost of revenue:			
Platform <sup>(1) (2)</sup>	85,195	52,634	26,043
Professional services and other <sup>(1) (2)</sup>	4,128	5,832	5,330
Total cost of revenue	89,323	58,466	31,373
Gross Profit	138,966	126,938	117,995
Operating expenses:			
Research and development <sup>(1) (2)</sup>	73,914	74,203	59,730
General and administrative <sup>(1) (2)</sup>	85,098	70,356	68,036
Sales and marketing <sup>(1) (2)</sup>	48,190	34,043	18,205
Restructuring charges <sup>(1)</sup>	6,848	—	—
Total operating expenses	214,050	178,602	145,971
Loss from operations	(75,084)	(51,664)	(27,976)
Other income (expenses), net:			
Interest income	17,237	4,592	—
Interest expense	(208)	(185)	—
Other (expense) income, net	(3)	7	77
Change in fair value of warrant liability	—	—	(18,930)
Total other income (expenses), net	17,026	4,414	(18,853)
Loss before income taxes	(58,058)	(47,250)	(46,829)
Provision (benefit) for income taxes	229	(1,282)	(4,556)
Net loss	(58,287)	(45,968)	(42,273)
Accretion of redeemable convertible preferred stock to redemption value	—	—	(14)
Net loss attributable to Class A and Class B common stockholders	\$ (58,287)	\$ (45,968)	\$ (42,287)

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

	Year Ended December 31,		
	2023	2022	2021
Cost of revenue - platform	\$ 6,838	\$ 5,457	\$ 2,705
Cost of revenue - professional services and other	672	630	474
Research and development	15,055	14,053	11,283
General and administrative	20,813	20,339	16,137
Sales and marketing	7,756	5,545	2,128
Restructuring charges	1,728	—	—
Total stock-based compensation expense	\$ 52,862	\$ 46,024	\$ 32,727

(2) Reclassifications were made to confirm the prior year periods to the current year presentation and had no effect on previously reported operating loss, net loss, or accumulated deficit. See "Note 2 —Significant Accounting Policies" to our consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information on the reclassifications.





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

	Year Ended December 31,		
	2023	2022	2021
Revenue:			
Platform	98.6 %	97.8 %	96.7 %
Professional services and other	1.4	2.2	3.3
Total revenue	100.0	100.0	100.0
Cost of revenue:			
Platform	37.3	28.4	17.4
Professional services and other	1.8	3.1	3.6
Total cost of revenue	39.1	31.5	21.0
Gross Profit	60.9	68.5	79.0
Operating expenses:			
Research and development	32.4	40.0	40.0
General and administrative	37.3	37.9	45.5
Sales and marketing	21.1	18.4	12.2
Restructuring charges	3.0	0.0	0.0
Total operating expenses	93.8	96.3	97.7
Loss from operations	(32.9)	(27.9)	(18.7)
Other income (expenses), net:			
Interest income	7.6	2.5	0.0
Interest expense	(0.1)	(0.1)	0.0
Other (expense) income, net	0.0	0.0	0.1
Change in fair value of warrant liability	0.0	0.0	(12.7)
Total other income (expenses), net	7.5	2.4	(12.6)
Loss before income taxes	(25.4)	(25.5)	(31.4)
Provision (benefit) for income taxes	0.1	(0.7)	(3.1)
Net loss	(25.5)	(24.8)	(28.3)
Accretion of redeemable convertible preferred stock to redemption value	0.0	0.0	0.0
Net loss attributable to Class A and Class B common stockholders	(25.5)%	(24.8)%	(28.3)%

## Comparison of the Years Ended December 31, 2023 and 2022

### Revenue

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
<b>Revenue:</b>				
Platform	\$ 225,179	\$ 181,293	\$ 43,886	24.2 %
Professional services and other	3,110	4,111	(1,001)	(24.3)
Total Revenue	<u>\$ 228,289</u>	<u>\$ 185,404</u>	\$ 42,885	23.1 %

#### Platform

Total platform revenue increased \$43.9 million, or 24.2%, to \$225.2 million for the year ended December 31, 2023 from \$181.3 million for the year ended December 31, 2022. This increase was primarily the result of increased Olo Pay adoption, higher Order revenue from new customers and higher transaction volume. Annual average revenue per unit increased to approximately \$2,702 for the year ended December 31, 2023 from approximately \$2,189 for the year ended December 31, 2022. For the years ended December 31, 2023 and 2022, 44.7% and 50.9% of our platform revenue was subscription revenue, respectively, and 55.3% and 49.1% was transaction revenue, respectively. Active locations decreased to approximately 80,000 as of December 31, 2023 from approximately 87,000 as of December 31, 2022, due to the previously announced transition of Subway off of the platform, partially offset by new location additions.

#### Professional Services and Other

Total professional services and other revenue decreased \$1.0 million, or 24.3%, to \$3.1 million for the year ended December 31, 2023 from \$4.1 million for the year ended December 31, 2022. This decrease was driven by macroeconomic factors such as labor shortages, which have delayed certain deployments due to their impact on restaurant customers at both the operator and brand levels. Additionally, our efforts to upsell additional platform solutions to existing customers who have already been deployed on our platform drove platform revenue growth, rather than growth in professional services and other revenue.

### Cost of Revenue, Gross Profit, and Gross Margin

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
<b>Cost of revenue:</b>	—			
Platform	\$ 85,195	\$ 52,634	\$ 32,561	61.9 %
Professional services and other	4,128	5,832	(1,704)	(29.2)
Total cost of revenue	<u>\$ 89,323</u>	<u>\$ 58,466</u>	\$ 30,857	52.8 %
<b>Percentage of revenue:</b>				
Platform	37.3 %	28.4 %		
Professional services and other	1.8	3.1		
Total cost of revenue	39.1 %	31.5 %		
Gross Profit	<u>\$ 138,966</u>	<u>\$ 126,938</u>	\$ 12,028	9.5 %
Gross Margin	60.9 %	68.5 %		

#### Platform

Total platform cost of revenue increased \$32.6 million, or 61.9%, to \$85.2 million for the year ended December 31, 2023 from \$52.6 million for the year ended December 31, 2022. This increase was primarily the result of higher processing

costs associated with the increased adoption of Olo Pay. Also contributing to the increase were the costs from amortization of capitalized internal-use software and compensation costs.

#### *Professional Services and Other*

Total professional services and other cost of revenue decreased \$1.7 million, or 29.2%, to \$4.1 million for the year ended December 31, 2023 from \$5.8 million for the year ended December 31, 2022. This decrease was primarily the result of reduced compensation costs due to decreased headcount, combined with a reduction in third party consulting costs.

#### *Gross Profit*

Gross profit increased \$12.0 million to \$139.0 million for the year ended December 31, 2023 from \$126.9 million for the year ended December 31, 2022. Gross margin decreased to 60.9% for the year ended December 31, 2023 from 68.5% for the year ended December 31, 2022. The increase in gross profit was due to an increase in platform revenue, as discussed above. The decrease in gross margin as a percentage of revenue was driven by higher processing and compensation costs associated with increased Olo Pay adoption, higher platform and other compensation costs to support growth in transactions, and an increase in costs from amortization of capitalized internal-use software.

#### *Operating Expenses*

##### *Research and Development*

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Research and development	\$ 73,914	\$ 74,203	\$ (289)	(0.4)%
Percentage of total revenue	32.4 %	40.0 %		

Research and development expense decreased \$0.3 million, or 0.4%, to \$73.9 million for the year ended December 31, 2023 from \$74.2 million for the year ended December 31, 2022. This decrease was primarily the result of reduced compensation costs driven by a higher rate of capitalization of internal-use software development costs as we make investments in innovative solutions to support our customers' rapidly evolving needs. This was partially offset by increases in website hosting costs. As a percentage of total revenue, research and development expenses decreased to 32.4% for the year ended December 31, 2023 from 40.0% for the year ended December 31, 2022.

##### *General and Administrative*

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
General and administrative	\$ 85,098	\$ 70,356	\$ 14,742	21.0 %
Percentage of total revenue	37.3 %	37.9 %		

General and administrative expense increased \$14.7 million, or 21.0%, to \$85.1 million for the year ended December 31, 2023 from \$70.4 million for the year ended December 31, 2022. This increase was primarily a result of an increase in certain litigation-related expenses including the accrual of an anticipated legal settlement as described in "Note 16—Commitments and Contingencies" of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K. Partially offsetting this increase was lower compensation costs in the second half of 2023 stemming from our workforce reduction, as well as the absence in 2023 of the impairment expense recognized in 2022 associated with the sublease of our former corporate headquarters. As a percentage of total revenue, general and administrative expenses decreased to 37.3% for the year ended December 31, 2023 from 37.9% for the year ended December 31, 2022.

### Sales and Marketing

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Sales and marketing	\$ 48,190	\$ 34,043	\$ 14,147	41.6 %
Percentage of total revenue	21.1 %	18.4 %		

Sales and marketing expense increased \$14.1 million, or 41.6%, to \$48.2 million for the year ended December 31, 2023 from \$34.0 million for the year ended December 31, 2022. 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 increased to 21.1% for the year ended December 31, 2023 from 18.4% for the year ended December 31, 2022.

### Restructuring Charges

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
Restructuring charges	\$ 6,848	\$ —	\$ 6,848	Not meaningful
Percentage of total revenue	3.0 %	— %		

Restructuring charges were \$6.8 million for the year ended December 31, 2023 and 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 corporate reorganization in the second quarter of 2023, which entailed a workforce reduction. We did not incur any restructuring costs for the year ended December 31, 2022.

### Other Income (Expenses), net

	Year Ended December 31,		Change	
	2023	2022	\$	%
(in thousands, except percentages)				
<b>Other income, net:</b>				
Interest income	\$ 17,237	\$ 4,592	\$ 12,645	275.4 %
Percentage of total revenue	7.6 %	2.5 %		
Interest expense	(208)	(185)	(23)	12.4 %
Percentage of total revenue	(0.1)%	(0.1)%		
Other (expense) income, net	(3)	7	(10)	(142.9)%
Percentage of total revenue	— %	— %		
Total other income, net	\$ 17,026	\$ 4,414	\$ 12,612	285.7 %
Percentage of total revenue	7.5 %	2.4 %		

Other income for the year ended December 31, 2023 was primarily driven by income earned on our investments and money-market funds. The increase in interest income for the year ended December 31, 2023 as compared to the year ended December 31, 2022 is primarily driven by an increase in amounts invested and an increase in interest rates.

**Provision (Benefit) for Income Taxes**

	Year Ended December 31,				Change	
	2023		2022		\$	%
(in thousands, except percentages)						
Provision (benefit) for income taxes	\$	229	\$	(1,282)	\$	1,511 (117.9) %
Percentage of total revenue		0.1 %		(0.7) %		

Provision for income taxes for the year ended December 31, 2023 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 December 31, 2023, our principal sources of liquidity were cash and cash equivalents and short-term and long-term investments in marketable securities totaling \$388.3 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. Under the Stock Buyback Program, shares of our Class A common stock may be repurchased 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 timing and actual number of shares repurchased are determined by 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 Stock Buyback Program has no expiration date and may be modified, suspended, or terminated at any time by the Board of Directors at its discretion. During the year ended December 31, 2023, we repurchased 8,849,632 shares of our Class A common stock for approximately \$58.1 million under the Stock 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**

On June 10, 2022, we entered into the Second Amended and Restated Loan and Security Agreement with Pacific Western Bank related to a revolving credit and term loan facility, or the Second Amended and Restated LSA.

The Second Amended and Restated LSA amended and restated the Amended and Restated Loan and Security Agreement, dated February 11, 2020, as amended, or the Prior LSA, to, among other things, increase our available aggregate borrowing limit to \$70.0 million and to provide the ability to request Pacific Western Bank to enter into commitments to increase the credit extensions available to us under the Second Amended and Restated LSA to up to \$125.0 million, or the Accordion Facility.

Borrowings under the Second Amended and Restated LSA accrue interest at a variable annual rate equal to (i) in the case of Formula Advances (as defined in the Second Amended and Restated LSA), the greater of the variable rate of interest, per annum, most recently announced by Pacific Western Bank, or the Prime Rate, or 3.25% or (ii) in the case of Term Loans (as defined in the Second Amended and Restated LSA), the greater of the Prime Rate plus 0.25% or 3.50%. The Second Amended and Restated LSA provides for a success fee payable upon an acquisition of Olo or termination of the Second Amended and

Restated LSA, or a Success Fee Trigger, in an amount equal to: (i) \$600,000, if the Success Fee Trigger occurs prior to June 10, 2024; (ii) \$400,000, if the Success Fee Trigger occurs on or after June 10, 2024 and prior to June 10, 2025; (iii) \$200,000, if the Success Fee Trigger occurs on or after June 10, 2025 and prior to June 10, 2026; and (iv) \$0, if the Success Fee Trigger occurs on or after June 10, 2026. We are also required to pay a fee of 1.0% of the difference between (i) the highest outstanding principal balance during the term of the Second Amended and Restated LSA and (ii) \$3.5 million if a Liquidity Event (as defined in the Second Amended and Restated LSA) occurs during the term and or within 24 months after the termination of the Second Amended and Restated LSA. Our obligations under the Second Amended and Restated LSA are secured by substantially all of our assets, including certain securities owned by us in any subsidiary.

As of December 31, 2023, we had \$43.6 million of commitments available under the Second Amended and Restated Loan and Security Agreement with Pacific Western Bank related to a revolving credit and term loan facility, after consideration of \$25.0 million in our letter of credit to DoorDash and \$1.4 million in our letter of credit on the lease of our former corporate headquarters at One World Trade Center. As of December 31, 2023, we had no outstanding borrowings under the line of credit, and no amounts have been drawn against any of our letters of credit.

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 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 December 31, 2023, and expect to remain in compliance for at least the upcoming twelve months.

The Second Amended and Restated LSA also contains events of default that include, among other things, non-payment defaults, covenant defaults, insolvency defaults, cross-defaults to other indebtedness and material obligations, judgment defaults, inaccuracy of representations and warranties, and a material adverse change. Any default that is not cured or waived could result in Pacific Western Bank exercising its rights and remedies under the Second Amended and Restated LSA, including, but not limited to, the acceleration of the obligations under the Second Amended and Restated LSA and related documentation, and would permit Pacific Western Bank to exercise remedies with respect to all of the collateral that secured such obligations.

Pacific Western Bank has the right to terminate its obligation to make further advances to us immediately and without notice upon the occurrence and during the continuance of an event of default. Upon our request, Pacific Western Bank will provide us a payoff letter providing for, among other things, repayment of our obligations then outstanding, including the success fee, and for termination of Pacific Western Bank's obligations to make additional credit extensions and termination of the liens under the Second Amended and Restated LSA.

### **Cash Flows**

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

	Year Ended December 31,	
	2023	2022
	(in thousands)	
Net cash (used in) provided by operating activities	\$ (6,568)	\$ 2,344
Net cash used in investing activities	(19,490)	(158,483)
Net cash used in financing activities	(45,797)	(8,233)

### **Net Cash (Used in) Provided by Operating Activities**

For the year ended December 31, 2023, net cash used in operating activities was \$6.6 million, primarily due to net loss of \$58.3 million adjusted for non-cash charges of \$67.6 million, and a net decrease attributable to our operating assets and liabilities of \$15.9 million. The non-cash adjustments primarily relate to stock-based compensation charges of \$52.9 million and depreciation and amortization expense of \$10.3 million. The net decrease attributable to our operating assets and liabilities was primarily driven by an increase in accounts receivable of \$25.0 million due primarily to a change in billing timing starting in 2023, whereby billings are processed near the end of the month and collected early in the next month, rather than being processed and collected in the same month as was the case in 2022. Also contributing to the increase in accounts receivable was growth in revenue. This was partially offset by a \$15.9 million increase in accrued expenses and other current liabilities related

primarily to an accrued legal settlement and fees related thereto, the timing of certain employee compensation payments, and a liability related to cash received on behalf of the subtenant of our former corporate headquarters at One World Trade Center in advance of certain future rental obligations that will be due from the subtenant.

For the year ended December 31, 2022, net cash provided by operating activities was \$2.3 million, primarily due to net loss of \$46.0 million adjusted for non-cash charges of \$56.3 million, partially offset by a net decrease attributable to our operating assets and liabilities of \$8.0 million. The non-cash adjustments primarily relate to stock-based compensation charges of \$46.0 million, depreciation and amortization expense of \$6.0 million, non-cash impairment charges of \$2.8 million, and a charge related to a charitable donor-advised fund of \$1.4 million. The net decrease attributable to our operating assets and liabilities was primarily driven by an increase in accounts receivable of \$5.6 million driven by the overall revenue increase, an increase in prepaid expenses and other current assets of \$5.2 million due to insurance payments and software licensing fees, and payments of \$2.5 million on our operating leases. Partially offsetting this decrease was an increase in accrued expenses and other current liabilities of \$7.3 million primarily related to fees owed to DSPs and employee compensation.

#### **Net Cash Used in Investing Activities**

Cash used in investing activities was \$19.5 million during the year ended December 31, 2023, primarily due to \$13.0 million for the development of capitalized internal-use software to support further product development and \$6.4 million of net purchases of investments.

Cash used in investing activities was \$158.5 million during the year ended December 31, 2022, primarily due to \$100.2 million of net purchases of investments, \$49.2 million to acquire Omnivore, and \$8.5 million for the development of internal use software.

#### **Net Cash Used in Financing Activities**

Cash used in financing activities was \$45.8 million during the year ended December 31, 2023, primarily driven by \$58.1 million of stock repurchases under the Stock Buyback Program, partially offset by \$12.3 million of net proceeds from the exercise of stock options and the employee stock purchase plan.

Cash used by financing activities was \$8.2 million during the year ended December 31, 2022, primarily driven by \$20.1 million of stock repurchases under the Stock Buyback Program, partially offset by \$12.2 million of net proceeds from the exercise of stock options and the employee stock purchase plan.

#### **Material Cash Requirements**

The following table sets forth the amounts of our significant contractual obligations and commitments with definitive payment terms as of December 31, 2023:

	Payment Due by Period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(in thousands)				
Operating lease obligations	\$ 19,890	\$ 3,710	\$ 6,066	\$ 5,920	\$ 4,194
Unconditional purchase obligations <sup>(1)</sup>	5,000	5,000	—	—	—
Total	<u>\$ 24,890</u>	<u>\$ 8,710</u>	<u>\$ 6,066</u>	<u>\$ 5,920</u>	<u>\$ 4,194</u>

(1) Unconditional purchase obligation relates to cloud-based services to support our infrastructure.

The commitment amounts in the table above are associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts. The table does not include obligations under agreements that we can cancel without a significant penalty.

See “Note 16—Commitments and Contingencies” and “Note 11—Leases” of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for additional information regarding contractual obligations and commitments.

## **Certain Non-GAAP Financial Measures**

We report our financial results in accordance with generally accepted accounting principles 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 (which consist of legal and other professional fees associated with litigation-related matters which are not indicative of Olo's core operations and are not part of our normal course of business), costs and impairment charges associated with the sublease of our former corporate headquarters, loss on disposal of assets, non-cash capitalized internal-use software impairment, capitalized internal-use software and intangible amortization (non-cash expense), 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) Income

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

	Year Ended December 31,		
	2023	2022	2021
	(in thousands, except percentages)		
<b>Operating income (loss) reconciliation:</b>			
Operating loss, GAAP	\$ (75,084)	\$ (51,664)	\$ (27,976)
Plus: Stock-based compensation expense and related payroll tax expense	52,666	46,865	34,269
Plus: Charitable donation of Class A common stock	1,136	1,406	13,107
Plus: Certain litigation-related expenses	21,590	—	—
Plus: Costs and impairment charge associated with sublease of former corporate headquarters	—	3,272	—
Plus: Loss on disposal of assets	38	—	—
Plus: Non-cash capitalized software impairment	—	475	—
Plus: Capitalized internal-use software and intangible amortization	9,878	5,446	579
Plus: Restructuring charges	6,848	—	—
Plus: Certain severance costs	830	2,359	—
Plus: Transaction costs	358	1,600	2,834
Operating income, non-GAAP	<u>\$ 18,260</u>	<u>\$ 9,759</u>	<u>\$ 22,813</u>
Percentage of revenue:			
Operating margin, GAAP	(33)%	(28)%	(19)%
Operating margin, non-GAAP	8 %	5 %	15 %

### Reconciliation of Non-GAAP Free Cash Flow to Net Cash (Used in) Provided by Operating Activities

The following table presents a reconciliation between non-GAAP free cash flow and net cash (used in) provided by operating activities, the most directly comparable GAAP measure, for each of the periods indicated:

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
Net cash (used in) provided by operating activities	\$ (6,568)	\$ 2,344	\$ 16,253
Purchase of property and equipment	(93)	(517)	(393)
Capitalization of internally developed software	(13,011)	(8,480)	(1,452)
Non-GAAP free cash flow	<u>\$ (19,672)</u>	<u>\$ (6,653)</u>	<u>\$ 14,408</u>

### Critical Accounting Policies and Estimates

Our management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements included elsewhere in this Annual Report on Form 10-K. The preparation of our 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.

We believe that the assumptions and estimates associated with revenue recognition, stock-based compensation, and accounting for business combinations, including purchase price allocations and valuations of acquired intangible assets and goodwill have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates. For further information on all of our significant accounting policies, see "Note 2—

Summary of Significant Accounting Policies” of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K.

### **Revenue Recognition**

We recognize revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. We generate revenue from providing our customers access to our platform. We recognize revenue when we transfer promised services in an amount that reflects the consideration we expect to be entitled to in exchange for those services. This is determined by following a five-step process which includes (1) identifying the contract with a customer, (2) identifying the performance obligations in the contract, (3) determining the transaction price, (4) allocating the transaction price, and (5) recognizing revenue when or as we satisfy a performance obligation.

Our performance obligations primarily include access to our platform and its different modules and implementation services associated with the platform. We believe that non-complex implementation services are generally distinct performance obligations while complex implementation services are generally combined with our platform services into one performance obligation.

The implementation fees in our contracts are generally variable. We estimate how many months it will take to implement the platform into the customer environment, including time to get restaurant franchise locations onboarded. This estimate is multiplied by the fixed monthly fee to determine the transaction price.

We allocate the transaction price of the contract to each distinct performance obligation based on a relative standalone selling price basis. We determine standalone selling price based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, we estimate the standalone selling price taking into account available information such as market conditions, internally approved pricing, and cost-plus expected margin guidelines related to the performance obligations.

We consider revenue recognition a critical accounting policy given the calculation of revenue is dependent upon the effective design and operation of the controls over system interfaces as well as controls over the accuracy and completeness of revenue. Further, the process to extract information from systems and databases is manual. Although there are estimations required to recognize revenue, these estimates are not sensitive.

### **Stock-Based Compensation**

Accounting for stock-based compensation requires us to make a number of judgments, estimates, and assumptions. If any of our estimates prove to be inaccurate, our net loss and operating results could be adversely affected.

We measure compensation expense for all stock-based payment awards, including stock options, restricted stock units (or RSUs), and performance-based restricted stock units (or PSUs) granted to employees, directors, and non-employees, as well as stock purchased under our 2021 Employee Stock Purchase Plan, or ESPP, based on the estimated fair value of the awards on the date of grant. Compensation expense associated with stock options and RSUs is recognized ratably in earnings, generally over the period during which an employee is required to provide service. Compensation expense associated with PSUs is recognized using the accelerated attribution method over the period we expect the service and performance conditions under the award will be achieved. Compensation expense associated with our ESPP is recognized over the offering period for the purchase rights issued under the plan. We adjust compensation expense based on actual forfeitures as necessary.

We estimate the fair value of stock options and ESPP shares granted to employees using the Black-Scholes option-pricing model, which requires the input of subjective assumptions, including (1) the expected stock price volatility, (2) the expected term of the award, (3) the risk-free interest rate, and (4) expected dividend yield. These assumptions are estimated as follows:

- *Expected volatility.* We estimate the expected volatility of our common stock on the date of grant using the historical value of our stock over the trailing expected term of the option from the grant date.
- *Expected term.* We estimate the expected term based on the simplified method.
- *Risk-free rate.* The risk-free rate is based on the United States Treasury yield curve in effect at the time of the grant whose term is consistent with the expected life of the stock option.

- *Expected dividend yield.* Expected dividend yield is zero percent, as we have not paid and do not anticipate paying dividends on our common stock.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions:

	Year Ended December 31,	
	2022	2021
Expected term (in years)	5.24 - 6.00	5.48 - 6.07
Volatility	32% - 36%	52% - 65%
Risk-free interest rate	1.62% - 2.87%	0.50% - 1.06%
Dividend yield	0%	0%
Fair value of underlying common stock	\$11.07 - \$15.75	\$16.78 - \$30.02

We continue to use judgment in evaluating the expected volatility and expected term utilized in our stock-based compensation expense calculation on a prospective basis. As we continue to accumulate additional data related to our common stock, we may refine our estimates of expected volatility and expected term, which could materially impact our future stock-based compensation expense.

### ***Business Combinations***

We account for our business combinations using the acquisition method of accounting, which requires, among other things, allocation of the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed at their estimated fair values on the acquisition date. The excess of the fair value of purchase consideration over the values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair value of assets acquired and liabilities assumed, we make significant estimates and assumptions, especially with respect to intangible assets.

Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable, and as a result, actual results may differ materially from estimates. During the measurement period, not to exceed one year from the date of acquisition, we may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. Upon the conclusion of the measurement period or final determination of the fair value of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition costs, such as legal and consulting fees, are expensed as incurred.

Determining the fair value of the assets and liabilities acquired is judgmental in nature and can involve the use of significant estimates and assumptions. The significant judgments include estimation of future cash flows, which is dependent on forecasts; estimation of the long-term rate of growth; estimation of the useful life over which cash flows will occur; and determination of a risk-adjusted weighted average cost of capital. When appropriate, our estimates of the fair values of assets and liabilities acquired include assistance from independent third-party appraisal firms. Valuation methodologies used to measure fair value include multiple-period excess earnings method under the income approach and the relief-from-royalty method of the income approach. The judgments made in determining the estimated fair value assigned to the assets acquired, as well as the estimated life of the assets, can materially impact our consolidated statements of operations in periods subsequent to the acquisition through amortization, and in certain instances through impairment charges, if the asset becomes impaired in the future.

### ***Recent Accounting Pronouncements***

See "Note 2—Summary of Significant Accounting Policies" of the Notes to Consolidated Financial Statements included in Part II, Item 8 of this Annual Report on Form 10-K for all recently issued standards impacting our consolidated financial statements.

**Item 7A. 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 LSA with Pacific Western Bank. 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 December 31, 2023, advances under the formula revolving line of the Second Amended and Restated LSA bear interest equal to the greater of (A) the Prime Rate then in effect; or (B) 3.25%. As of December 31, 2023, 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 December 31, 2023, 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 December 31, 2023, we had cash and cash equivalents of \$278.2 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 December 31, 2023, we invested \$147.7 million in money market funds and \$110.1 million in other securities, of which \$84.3 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 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 8. *Financial Statements.*

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Olo Inc.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Olo Inc. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' equity, and cash flows, for the years ended December 31, 2023 and 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years ended December 31, 2023 and 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

#### **Revenue – Refer to Notes 2 and 3 to the financial statements**

##### *Critical Audit Matter Description*

The Company's revenue primarily consists of both subscription fees from customers for access to its platform and transaction-based fees made up of a significant volume of low-dollar transactions, sourced from multiple systems and databases. The Company's process for revenue is automated as it relates to the initiation and processing of transactions, while the calculation of revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, and the recording of revenue to the general ledger is manual.

We identified revenue as a critical audit matter due to the high volume of individually-low-monetary-value transactions, for which the calculation of revenue is dependent upon the effective design and operation of the system interface controls as well as controls over the accuracy and completeness of revenue. This is due to the fact that the process to extract information from systems and databases is manual. Because of these factors, performing audit procedures to evaluate whether revenue was appropriately recorded required a high degree of auditor judgement and an increased extent of audit effort.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to revenue included the following, among others:

- With the assistance of our IT specialists, we:
  - Identified the significant systems used to process revenue transactions and tested the general IT controls over each of these systems, including testing of user access controls, change management controls, and IT operations controls.
  - Performed testing of system interface controls and automated controls within the relevant revenue streams, as well as the controls designed to ensure the accuracy and completeness of revenue.
- We tested internal controls within the relevant revenue business processes, including those in place to reconcile the subledger to the general ledger.
- For a sample of revenue transactions, we performed the following:
  - Agreed the amounts recognized to source documents and tested the mathematical accuracy of the recorded revenue.
  - Obtained contracts and payment support to verify the occurrence of revenue.
  - Evaluated the appropriateness of the classification of revenue within the Company's disclosures of disaggregated revenue by type and disaggregated revenue by timing of recognition.
- For a sample of platform revenue transactions derived from location activation, we verified revenue was recognized only after access had been appropriately provided to the customer.

/s/ Deloitte & Touche LLP  
New York, New York  
February 21, 2024

We have served as the Company's auditor since 2022.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Olo Inc.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Olo Inc. (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 21, 2024, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP  
New York, New York  
February 21, 2024



## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of Olo Inc.

### ***Opinion on the Financial Statements***

We have audited the accompanying consolidated statements of operations, comprehensive loss, redeemable convertible preferred stock and stockholders' equity (deficit), and cash flows of Olo Inc. (the Company) for the year ended December 31, 2021, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the results of the Company's operations and its cash flows for the year ended December 31, 2021, in conformity with U.S. generally accepted accounting principles.

### ***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audit we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor from 2019 to 2022.

New York, NY

February 25, 2022

**OLO INC.**

**Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	As of December 31, 2023	As of December 31, 2022
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 278,218	\$ 350,073
Short-term investments	84,331	98,699
Accounts receivable, net	70,264	48,128
Contract assets	412	336
Deferred contract costs	4,743	2,851
Prepaid expenses and other current assets	12,769	11,687
Total current assets	450,737	511,774
Property and equipment, net	22,055	11,700
Intangible assets, net	17,738	21,698
Goodwill	207,781	207,781
Contract assets, noncurrent	352	241
Deferred contract costs, noncurrent	5,806	4,171
Operating lease right-of-use assets	12,529	15,581
Long-term investments	25,748	2,430
Other assets, noncurrent	73	186
Total assets	\$ 742,819	\$ 775,562
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 4,582	\$ 2,259
Accrued expenses and other current liabilities	68,240	52,411
Unearned revenue	1,533	2,527
Operating lease liabilities, current	2,859	3,220
Total current liabilities	77,214	60,417
Unearned revenue, noncurrent	57	661
Operating lease liabilities, noncurrent	13,968	16,827
Other liabilities, noncurrent	109	41
Total liabilities	91,348	77,946
Commitments and contingencies (Note 16)		
<b>Stockholders' equity:</b>		
Class A common stock, \$ 0.001 par value; 1,700,000,000 shares authorized as of December 31, 2023 and 2022; 108,469,679 and 105,053,030 shares issued and outstanding as of December 31, 2023 and 2022, respectively.	163	162
Class B common stock, \$ 0.001 par value; 185,000,000 shares authorized as of December 31, 2023 and 2022, respectively; 54,891,834 and 57,391,687 shares issued and outstanding as of December 31, 2023 and 2022, respectively		
Preferred stock, \$ 0.001 par value; 20,000,000 shares authorized as of December 31, 2023 and 2022, respectively	—	—
Additional paid-in capital	867,152	855,249
Accumulated deficit	( 215,829 )	( 157,542 )
Accumulated other comprehensive loss	( 15 )	( 253 )
Total stockholders' equity	651,471	697,616
Total liabilities and stockholders' equity	\$ 742,819	\$ 775,562

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

**OLO INC.**

**Consolidated Statements of Operations**  
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2023	2022	2021
Revenue:			
Platform	\$ 225,179	\$ 181,293	\$ 144,446
Professional services and other	3,110	4,111	4,922
Total revenue	228,289	185,404	149,368
Cost of revenue:			
Platform	85,195	52,634	26,043
Professional services and other	4,128	5,832	5,330
Total cost of revenue	89,323	58,466	31,373
Gross Profit	138,966	126,938	117,995
Operating expenses:			
Research and development	73,914	74,203	59,730
General and administrative	85,098	70,356	68,036
Sales and marketing	48,190	34,043	18,205
Restructuring charges (Note 18)	6,848	—	—
Total operating expenses	214,050	178,602	145,971
Loss from operations	( 75,084 )	( 51,664 )	( 27,976 )
Other income (expenses), net:			
Interest income	17,237	4,592	—
Interest expense	( 208 )	( 185 )	—
Other (expense) income, net	( 3 )	7	77
Change in fair value of warrant liability	—	—	( 18,930 )
Total other income (expenses), net	17,026	4,414	( 18,853 )
Loss before income taxes	( 58,058 )	( 47,250 )	( 46,829 )
Provision (benefit) for income taxes	229	( 1,282 )	( 4,556 )
Net loss	\$ ( 58,287 )	\$ ( 45,968 )	\$ ( 42,273 )
Accretion of redeemable convertible preferred stock to redemption value	—	—	( 14 )
Net loss attributable to Class A and Class B common stockholders	\$ ( 58,287 )	\$ ( 45,968 )	\$ ( 42,287 )
Net loss per share attributable to Class A and Class B common stockholders:			
Basic	\$ ( 0.36 )	\$ ( 0.28 )	\$ ( 0.34 )
Diluted	\$ ( 0.36 )	\$ ( 0.28 )	\$ ( 0.34 )
Weighted-average Class A and Class B common shares outstanding:			
Basic	162,993,686	161,303,397	123,822,838
Diluted	162,993,686	161,303,397	123,822,838

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

## OLO INC.

**Consolidated Statements of Comprehensive Loss**  
*(in thousands)*

	Year Ended December 31,		
	2023	2022	2021
Net loss	\$ ( 58,287 )	\$ ( 45,968 )	\$ ( 42,273 )
Other comprehensive income (loss):			
Unrealized gain (loss) on investments	238	( 253 )	—
Total other comprehensive income (loss)	238	( 253 )	—
Comprehensive loss	<u>\$ ( 58,049 )</u>	<u>\$ ( 46,221 )</u>	<u>\$ ( 42,273 )</u>

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

OLO INC.

**Consolidated Statements of Redeemable Convertible Preferred Stock and Stockholders' Equity (Deficit)**  
*(in thousands, except share and share data)*

	Redeemable Convertible Preferred Stock		Class A and Class B Common Stock		Additional Paid In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
<b>Balance as of December 31, 2020</b>	58,962,749	\$ 111,737	22,320,286	\$ 22	\$ 16,798	\$ ( 69,301 )	\$ —	\$ ( 52,481 )
Initial public offering, net of underwriting discount and deferred offering costs	—	—	20,700,000	21	477,805	—	—	477,826
Reversal of deferred offering costs	—	—	—	—	1,145	—	—	1,145
Accretion of redeemable convertible preferred stock to redemption value	—	14	—	—	( 14 )	—	—	( 14 )
Issuance of redeemable convertible preferred stock on exercise of warrants	1,681,848	2	—	—	39,056	—	—	39,056
Conversion of redeemable convertible preferred stock to common stock upon initial public offering	( 60,644,597 )	( 111,753 )	100,196,780	100	111,653	—	—	111,753
Issuance of common stock upon settlement of Share Appreciation Rights	—	—	1,642,570	2	2,845	—	—	2,847
Issuance of common stock in connection with charitable donation	—	—	345,836	—	13,107	—	—	13,107
Issuance of common stock under the Employee Stock Purchase Plan	—	—	139,885	—	2,831	—	—	2,831
Issuance of common stock as consideration for acquisition	—	—	3,460,168	4	96,640	—	—	96,644
Fair value of substituted stock options granted in connection with acquisition	—	—	—	—	5,943	—	—	5,943
Issuance of common stock on exercise of stock options	—	—	8,892,240	9	15,228	—	—	15,237
Vesting of restricted stock units	—	—	2,424	—	—	—	—	—
Stock-based compensation	—	—	—	—	30,129	—	—	30,129
Net loss	—	—	—	—	—	( 42,273 )	—	( 42,273 )
<b>Balance as of December 31, 2021</b>	—	\$ —	157,700,189	\$ 158	\$ 813,166	\$ ( 111,574 )	\$ —	\$ 701,750
Issuance of common stock in connection with charitable donation	—	—	172,918	—	1,406	—	—	1,406
Issuance of common stock under the Employee Stock Purchase Plan	—	—	349,623	—	2,692	—	—	2,692
Issuance of common stock on exercise of stock options	—	—	6,076,639	6	9,796	—	—	9,802
Vesting of restricted stock units	—	—	832,940	1	( 1 )	—	—	—
Repurchase of common stock	—	—	( 2,687,592 )	( 3 )	( 20,051 )	—	—	( 20,054 )
Stock-based compensation	—	—	—	—	48,241	—	—	48,241
Other comprehensive loss	—	—	—	—	—	—	( 253 )	( 253 )
Net loss	—	—	—	—	—	( 45,968 )	—	( 45,968 )
<b>Balance as of December 31, 2022</b>	—	\$ —	162,444,717	\$ 162	\$ 855,249	\$ ( 157,542 )	\$ ( 253 )	\$ 697,616
Issuance of common stock in connection with charitable donation	—	—	172,918	—	1,136	—	—	1,136
Issuance of common stock under the Employee Stock Purchase Plan	—	—	459,836	1	2,462	—	—	2,463
Issuance of common stock on exercise of stock options	—	—	5,694,748	6	9,910	—	—	9,916
Vesting of restricted stock units	—	—	3,438,926	3	( 3 )	—	—	—
Repurchase of common stock	—	—	( 8,849,632 )	( 9 )	( 58,071 )	—	—	( 58,080 )
Stock-based compensation	—	—	—	—	56,469	—	—	56,469
Other comprehensive income	—	—	—	—	—	—	238	238
Net loss	—	—	—	—	—	( 58,287 )	—	( 58,287 )
<b>Balance as of December 31, 2023</b>	—	\$ —	163,361,513	\$ 163	\$ 867,152	\$ ( 215,829 )	\$ ( 15 )	\$ 651,471

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

OLO INC.

**Consolidated Statements of Cash Flows**  
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
<b>Operating activities</b>			
Net loss	\$ ( 58,287 )	\$ ( 45,968 )	\$ ( 42,273 )
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	10,289	6,020	1,615
Stock-based compensation	52,862	46,024	32,727
Charitable donation of Class A common stock	1,136	1,406	13,107
Provision for expected credit losses	2,874	283	364
Change in fair value of warrants	—	—	18,930
Non-cash lease expense	2,726	2,388	—
Deferred income tax benefit	—	( 1,519 )	( 4,896 )
Loss on disposal of assets	38	—	—
Non-cash impairment charges	—	2,806	—
Other non-cash operating activities, net	( 2,328 )	( 1,135 )	—
Changes in operating assets and liabilities:			
Accounts receivable	( 25,009 )	( 5,642 )	3,734
Contract assets	( 187 )	377	( 96 )
Prepaid expenses and other current and noncurrent assets	( 969 )	( 5,191 )	( 2,837 )
Deferred contract costs	( 3,527 )	( 839 )	( 1,007 )
Accounts payable	2,324	( 130 )	( 6,820 )
Accrued expenses and other current liabilities	15,891	7,308	1,603
Operating lease liabilities	( 2,905 )	( 2,535 )	—
Unearned revenue	( 1,597 )	( 1,243 )	2,259
Other liabilities, noncurrent	101	( 66 )	( 157 )
Net cash (used in) provided by operating activities	( 6,568 )	2,344	16,253
<b>Investing activities</b>			
Purchases of property and equipment	( 93 )	( 517 )	( 393 )
Capitalized internal-use software	( 13,011 )	( 8,480 )	( 1,452 )
Acquisitions, net of cash acquired	—	( 49,241 )	( 75,227 )
Purchases of investments	( 130,428 )	( 151,723 )	—
Sales and maturities of investments	124,042	51,478	—
Net cash used in investing activities	( 19,490 )	( 158,483 )	( 77,072 )
<b>Financing activities</b>			
Proceeds from issuance of Class A common stock upon initial public offering, net of underwriting discounts	—	—	485,541
Cash received for employee payroll tax withholdings	15,528	9,094	46,956
Cash paid for employee payroll tax withholdings	( 15,527 )	( 9,094 )	( 46,956 )
Proceeds from exercise of warrants	—	—	392
Payment of deferred finance costs	—	—	( 136 )
Payment of deferred offering costs	—	( 423 )	( 4,124 )
Proceeds from exercise of stock options and purchases under the employee stock purchase plan	12,282	12,244	17,835
Repurchase of common stock	( 58,080 )	( 20,054 )	—
Net cash (used in) provided by financing activities	( 45,797 )	( 8,233 )	499,508
Net (decrease) increase in cash and cash equivalents	( 71,855 )	( 164,372 )	438,689
Cash and cash equivalents, beginning of year	350,073	514,445	75,756
Cash and cash equivalents, end of year	\$ 278,218	\$ 350,073	\$ 514,445

OLO INC.

**Consolidated Statements of Cash Flows**  
(in thousands)

	Year Ended December 31,		
	2023	2022	2021
<b>Supplemental disclosure of cash flow information</b>			
Cash paid for income taxes, net	\$ 73	\$ 292	\$ 393
<b>Supplemental disclosure of non-cash investing and financing activities</b>			
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ —	\$ 20,168	\$ —
Capitalization of stock-based compensation for internal-use software	\$ 3,607	\$ 2,208	\$ 288
Vesting of early exercised stock options	\$ 97	\$ 232	\$ 232
Employee receivables for options exercised	\$ —	\$ 18	\$ —
Purchase of property and equipment	\$ 7	\$ 7	\$ 30
Common stock issued in connection with acquisition	\$ —	\$ —	\$ 96,644
Fair value of substituted stock options granted in connection with acquisition	\$ —	\$ —	\$ 5,943
Accrued offering costs	\$ —	\$ —	\$ 345
Accretion of redeemable convertible preferred stock to redemption value	\$ —	\$ —	\$ 14

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



**Notes to Consolidated Financial Statements****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 customer data.

***Initial Public Offering***

On March 19, 2021, we completed our IPO in which we issued and sold 20,700,000 shares of our Class A common stock at the public offering price of \$ 25.00 per share. We received net proceeds of approximately \$ 485.5 million after deducting underwriting discounts and commissions. Upon completion of the IPO, \$ 6.6 million of deferred offering costs, which consisted primarily of accounting, legal and other fees related to our IPO, were reclassified into stockholders’ deficit as a reduction of the IPO proceeds.

Prior to the IPO, warrants to purchase 1,682,847 shares of our outstanding redeemable convertible preferred stock warrants were exercised and converted into redeemable convertible preferred stock. Upon completion of the IPO, all shares of our outstanding redeemable convertible preferred stock, inclusive of the shares issued pursuant to these warrant exercises, converted into 100,196,780 shares of Class B common stock. Additionally, upon completion of the IPO, stock appreciation rights (“SARs”) granted to employees vested and settled resulting in the issuance of 1,642,570 shares of Class B common stock.

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

The accompanying consolidated financial statements and accompanying notes were prepared in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”) and in accordance with the rules and regulations of the United States Securities and Exchange Commission (the “SEC”). The consolidated financial statements include the accounts of Olo Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Under the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), we were an emerging growth company (“EGC”) and had elected to use the extended transition period for complying with new or revised accounting standards under the JOBS Act. Effective December 31, 2022, we lost our EGC status upon becoming a large accelerated filer.

***Reclassifications***

Effective January 1, 2023, we began allocating certain employee-related costs to platform cost of revenues, professional services and other cost of revenues, sales and marketing, and research and development expenses. Previously, such costs had been presented within general and administrative expenses on our consolidated statement of operations. These costs are allocated based on each department’s proportionate share of total employee headcount. We determined that these changes would better reflect industry practice and provide more meaningful information as well as increased transparency of our operations.

**OLO INC.****Notes to Consolidated Financial Statements**

The following employee-related cost reclassifications were made to conform the prior year periods presented to the current year presentation and had no effect on previously reported operating loss, net loss, or accumulated deficit for the years ended December 31, 2022 and 2021:

- For the year ended December 31, 2022, \$ 2.7 million was reclassified from general and administrative expense as follows: \$ 0.8 million into platform cost of revenue, \$ 0.1 million into professional services and other cost of revenue, \$ 0.4 million into sales and marketing expenses, and \$ 1.3 million into research and development expenses.
- For the year ended December 31, 2021, \$ 1.6 million was reclassified from general and administrative expense as follows: \$ 0.5 million into platform cost of revenue, \$ 0.1 million into professional services and other cost of revenue, \$ 0.2 million into sales and marketing expenses, and \$ 0.8 million into research and development expenses.

Other prior year amounts have been reclassified to conform with current year presentations as follows:

- Deferred rent was previously presented as a separate line item on the consolidated balance sheet and statements of cash flows as of December 31, 2021, but was reclassified to be presented within other liabilities, noncurrent, as a result of our adoption of Accounting Standards Codification ("ASC") 842.
- Stock-based compensation in connection with vesting of stock appreciation rights was previously presented as a separate line item on the statement of cash flows as of December 31, 2021, but was reclassified to be presented within stock-based compensation.

These reclassifications had no impact on the consolidated statements of operations for the year ended December 31, 2021.

***Use of Estimates***

The preparation of 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 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.

***Segment Information***

An operating segment is defined as a component of an enterprise for which discrete financial information is evaluated regularly by the chief operating decision maker ("CODM"). We define the CODM as the Chief Executive Officer, as his role is to make decisions about allocating resources and assessing performance. Our business operates in one operating segment, which we have also determined to be one reporting unit for goodwill impairment testing, as all of our offerings operate on a single platform and are deployed in an identical way, with our CODM evaluating our financial information, resources and performance of these resources on a combined basis. Since we operate in one operating segment, all required financial segment information can be found in the financial statements. As of December 31, 2023 and 2022, we did not have assets located outside of the United States and international revenue recognized during the years ended December 31, 2023, 2022, and 2021 was not material.

**Notes to Consolidated Financial Statements*****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 years ended December 31, 2023, 2022, and 2021, one customer accounted for 12 %, 12 %, and 18 % of our revenue, respectively.

***Cash and Cash Equivalents***

Cash and cash equivalents are stated at fair value. We consider all short-term, highly liquid investments, with an original maturity of three months or less, to be cash equivalents. We received restricted cash on behalf of the subtenant of our former corporate headquarters at One World Trade Center in advance of certain future rental obligations that will be due from the subtenant. The remaining balance we received on behalf of the subtenant of \$ 2.0 million is included in cash and cash equivalents in the consolidated balance sheets as of December 31, 2023. See "Note 11—Leases" for more details.

***Investments***

Management determines the appropriate classification of investments at the time of purchase based upon management's intent with regard to such investments. Our investments are classified as available-for-sale at the time of purchase, and we reevaluate such classification as of each balance sheet date. We consider all highly liquid investments with an original maturity of 90 days or less when purchased to be cash equivalents. Investments with remaining contractual maturities of one year or less from the balance sheet date, which are not considered cash equivalents, are classified as short-term investments, and those with remaining contractual maturities greater than one year from the balance sheet date are classified as long-term investments. All investments are recorded at their estimated fair value, and any unrealized gains and losses, net of taxes, are recorded in accumulated other comprehensive loss, which is reflected as a separate component of stockholders' equity in the consolidated balance sheets. Realized gains and losses on sales and maturities of investments are determined based on the specific identification method and are recognized in the consolidated statements of operations.

We perform periodic evaluations to determine whether any declines in the fair value of investments below cost are other-than-temporary. The evaluation consists of qualitative and quantitative factors regarding the severity and duration of the unrealized loss, as well as our ability and intent to hold the investments until a forecasted recovery occurs. The impairments are considered to be other-than-temporary if they are related to deterioration in credit risk or if it is likely that the underlying securities will be sold prior to a full recovery of their cost basis. Other-than-temporary fair value impairments, if any, are determined based on the specific identification method and are reported in other (expense) income, net in the consolidated statements of operations.

***Accounts Receivable, Net***

Accounts receivable, net are stated at net realizable value and include unbilled receivables. Unbilled receivables arise primarily from transactional services provided in advance of billing. Accounts receivable are net of an allowance for credit losses, are not collateralized, and do not bear interest. Payment terms vary by contract type but are generally due within 30 days. The accounts receivable balance at December 31, 2023 and 2022 included unbilled receivables of \$ 0.7 million and \$ 0.6 million, respectively.

We assess the collectability of outstanding accounts receivable on an ongoing basis and maintain an allowance for credit losses for accounts receivable deemed uncollectible. Upon adoption of Accounting Standards Update ("ASU") 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, we analyzed our accounts receivable portfolio for significant risks, historical activity, and an estimate of future collectability to determine the amount that will ultimately be collected. This estimate is analyzed for expected credit losses annually and updated periodically.

## Notes to Consolidated Financial Statements

as necessary or upon certain triggering events, based on the financial condition of customers, which includes the delinquency level, historical write-off experience, customer type, and other assumptions such as the current economic environment.

The following summarizes our allowance for credit losses activity (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Beginning balance	\$ 612	\$ 657	\$ 631
Provision for expected credit losses	2,874	283	364
Writeoffs	( 701 )	( 328 )	( 338 )
Ending balance	\$ 2,785	\$ 612	\$ 657

### 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.

We allocate costs capitalized for contracts to the related performance obligations and amortize these costs on a straight-line basis over the expected period of benefit of those performance obligations. We determined that commissions paid on renewals are commensurate with commissions paid on initial contracts. Accordingly, we amortize commissions on initial contracts over the contract period which is generally three years . We also amortize commissions on renewal contracts over the renewal contract period, which are generally between one to three years . Amounts expected to be recognized within one year of the balance sheets date are recorded as current deferred contract costs. The remaining portion is recorded as non-current deferred contract costs in the accompanying consolidated balance sheets. Amortization of costs capitalized to obtain revenue contracts is included in sales and marketing expense in the accompanying consolidated statements of operations.

We periodically evaluate whether there have been any changes in our business, market conditions, or other events which would indicate that the amortization period should be changed, or if there are potential indicators of impairment. For the years ended December 31, 2023, 2022, and 2021, we have not identified any potential indicators of material impairment.

### Property and Equipment, Net

Property and equipment, net is recorded at cost, and presented net of accumulated depreciation. Cost and the related accumulated depreciation are deducted from the accounts upon retirement. Significant additions or improvements extending the useful life of an asset are capitalized, while repairs and maintenance costs are expensed as incurred. Leasehold improvements are amortized on a straight-line basis over the shorter of the term of the lease, or the useful life of the assets. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require a long-lived asset or asset group to be tested for possible impairment, we first compare undiscounted cash flows expected to be generated by that asset or asset group to its carrying value. If the carrying value of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. No material impairment was required on long-lived assets for the years ended December 31, 2023 and 2021. We recorded a non-cash impairment charge of \$ 0.1 million for the year ended December 31, 2022 in connection with the sublease of our former corporate headquarters, as we determined a group of assets in the leased space was no longer recoverable. See "Note 5—Property and Equipment" for additional information on the asset impairment.

### Capitalized Internal-Use Software

We capitalize certain qualified costs incurred in connection with the development of internal-use software. We evaluate the costs incurred during the application development stage of internal use software to determine whether the costs meet the criteria for capitalization. Costs related to preliminary project activities and post implementation activities are

**Notes to Consolidated Financial Statements**

expensed as incurred. See “Note 5—Property and Equipment” for additional information on our capitalized internal-use software.

***Business Combinations***

We account for acquisitions using the acquisition method of accounting and determine whether a transaction constitutes a business and is treated as a business combination or if the transaction does not constitute a business and is treated as an asset acquisition. The acquisition method of accounting requires, among other things, allocation of the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed at their estimated fair values on the acquisition date. The results of businesses acquired in a business combination are included in our consolidated financial statements from the date of acquisition.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including estimates of future revenue and adjusted earnings before interest and taxes and discount rates. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ materially from estimates. Our estimates associated with the accounting for business combinations may change as additional information becomes available regarding the assets acquired and liabilities assumed. Any change in facts and circumstances that existed as of the acquisition date and impacts our estimates is recorded to goodwill if identified within the measurement period. Subsequent to the measurement period or our final determination of fair value of assets and liabilities, whichever is earlier, the adjustments will affect our earnings.

Transaction related expenses incurred in a business combination are not included as a component of consideration transferred, but are accounted for as an expense in the period in which the costs are incurred.

***Goodwill and Intangible Assets***

Goodwill represents the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest, if any, over the fair value of identifiable assets acquired and liabilities assumed in a business combination. We have no intangible assets, other than goodwill, with indefinite useful lives.

Intangible assets other than goodwill are comprised of acquired developed technology, customer relationships, and trademarks. At initial recognition, intangible assets acquired in a business combination or asset acquisition are recognized at their fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at acquisition date fair value less accumulated amortization and impairment losses, if any, and are amortized on a straight-line basis over the estimated useful life of the asset. We assess the impairment of intangible assets whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

We review goodwill for impairment annually during the fourth quarter of each fiscal year or whenever events or changes in circumstances indicate that an impairment may exist. In conducting our annual impairment test, we review qualitative factors (including macroeconomic conditions, industry and market considerations, cost factors, and overall financial performance) to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. This step is referred to as the “Step Zero” assessment. If factors indicate that it is more likely than not (a likelihood of more than 50%) that the fair value of the reporting unit is less than its carrying amount, we proceed to a quantitative (“Step One”) assessment to determine the existence and amount of any goodwill impairment. In performing a Step One assessment, the fair value of the reporting unit is determined by using a discounted cash flow method where we analyze the expected present value of future cash flows. If the carrying value of the reporting unit continues to exceed its fair value, the fair value of the reporting unit's goodwill is calculated and an impairment loss equal to the excess is recorded. We evaluated goodwill using a Step Zero analysis during the fourth quarters of 2023 and 2022, and determined that goodwill was not impaired. There were no impairment charges recognized related to goodwill or intangible assets during the years ended December 31, 2023, 2022, and 2021.

***Leases***

We determine if an arrangement is a lease or contains a lease at inception. Our lease agreements are generally for office facilities, and the determination of whether such agreements contain leases generally does not require significant estimates or judgments. Our leases may also contain non-lease components such as payments of maintenance, utilities, and

**Notes to Consolidated Financial Statements**

taxes, which we have elected to account for separately, as these amounts are readily determinable. At the commencement date of a lease, we recognize a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The lease liability is measured at the present value of the minimum rental payments discounted using our incremental borrowing rate ("IBR") over the lease term (or, if readily determinable, the rate implicit in the lease). The IBR is the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. We determine our IBR by obtaining interest rates from various external financing sources and made certain adjustments to reflect the terms of the lease and type of the asset leased. The right-of-use asset is measured at cost, which includes the initial measurement of the lease liability and initial direct costs incurred and excludes lease incentives. We subleased a portion of our office space and recognized rental income on a straight-line basis as an offset to other leases costs, net, which is allocated across cost of revenue and operating expenses accordingly.

The lease term used to measure right-of-use lease assets and lease liabilities may include renewal options which are deemed reasonably certain to be exercised. Operating lease costs are recognized on a straight-line basis over the lease term. Variable lease payments are expensed as incurred. Our leases do not contain any material residual value guarantees or material restrictive covenants.

***Income Taxes***

Deferred income taxes are recorded for the expected tax consequences of temporary differences between the tax basis of assets and liabilities for financial reporting purposes and amounts recognized for income tax purposes. We periodically review the recoverability of deferred tax assets recorded on the balance sheet and provide valuation allowances as deemed necessary to reduce such deferred tax assets to the amount that will, more likely than not, be realized.

Significant judgment is required in determining any valuation allowance recorded against deferred tax assets. In assessing the need for a valuation allowance, we consider all available evidence for each jurisdiction including past operating results, estimates of future taxable income and the feasibility of ongoing tax planning strategies. In the event we change our determination as to the amount of deferred tax assets that can be realized, we will adjust our valuation allowance with a corresponding impact to income tax expense in the period in which such determination is made.

The amount of deferred tax provided is calculated using tax rates enacted at the balance sheet date. The impact of tax law changes is recognized in periods when the change is enacted.

A two-step approach is applied in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement.

Our policy is to recognize interest and penalty expenses associated with uncertain tax positions as a component of income tax expense. We are required to file tax returns in the U.S. federal jurisdiction and various states.

***Revenue Recognition***

We derive our revenue primarily from platform fees to access our software platform and professional services. Revenue is recognized when control of these services transfers to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for those services.

We apply the principles in the standard using the following steps:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) we satisfy a performance obligation

**Notes to Consolidated Financial Statements**

Sales taxes collected from customers and remitted to various governmental authorities are excluded from the measurement of the transaction price and presented on a net basis in our consolidated statements of operations. Any balance collected and not paid is reflected as a liability on the balance sheets.

*Platform Revenue*

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. 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. Subsequent to our acquisition of Wisely Inc. in November 2021 (the "Wisely Acquisition"), we also generate platform revenue from our Engage solutions, which consist of our Guest Data Platform ("GDP"), Marketing, Sentiment, and Host modules. Our Order solutions comprise a stand-ready obligation to provide access to the platform that is satisfied over the contract term. Our contracts for the Ordering, Switchboard, Virtual Brands, Kiosk, Catering, and Sync modules generally provide for monthly fixed fees, or, particularly for the Ordering module, monthly fixed fees for a specified quantity of orders processed on the platform, plus monthly overage fees. We generally bill customers on a monthly basis, in arrears. We allocate the variable consideration related to the monthly overages to the distinct month during which the related services were performed, as those fees relate specifically to providing the Ordering module of the platform in the period and represent the consideration we are entitled to for providing access to the platform. As a result, the fixed monthly fees and monthly overages are included in the transaction price and recognized as revenue in the period in which the fees are generated.

Our Dispatch module enables our restaurant customers to offer, manage, and expand delivery to their customers. Our customers for the Dispatch module are both the restaurants and delivery service providers ("DSPs"). The Dispatch module connects restaurants with DSPs to facilitate the ordering and delivery of orders to the restaurants' customers. We typically collect a per transaction fee from both the restaurant and the DSP. Revenue is recognized when we have arranged for a DSP to deliver the order to the end guest.

Our Rails module allows our customers to control and manage menu availability and pricing and location information while directly integrating orders from third-party channels. Our performance obligation is a stand-ready obligation to provide access to the Rails module that is satisfied over the contract term. We typically receive a fee from the third-party channel for each transaction processed. No minimum monthly amounts or overage fees are charged to the third-party channel in these arrangements. For contracts with variable rates, we estimate this variable consideration using the expected value method based upon our estimates of the number of orders expected to be processed under the contract. Although we do not directly charge our Ordering customers for these transactions, the transactions count toward the specified quantity and overages activity used in determining our Ordering customers' monthly Ordering revenue.

Our Olo Pay module provides a fully-integrated, frictionless payment platform, enabling restaurants to grow and protect their digital business through an improved customer payment experience, offering advanced fraud prevention designed to improve authorization rates for valid transactions, and increase basket conversion. We typically collect a per transaction fee from the restaurant for orders processed using our Olo Pay module. Revenue is recognized at the time of the transaction.

Our Network module allows brands to take orders from non-aggregator digital channels (e.g., Order with Google, which enables restaurants to fulfill orders directly through Google Search results and Google Maps pages). We typically collect a fee from the restaurant for each transaction, which is recognized at the time of the transaction.

We also generate revenue from our Engage solutions. Our Engage solutions include our GDP, Marketing, Sentiment, and Host modules. These solutions enable our customers to collect, analyze, and act on guest data to deepen guest relationships, boost revenue, and increase guest lifetime value ("LTV"), and to streamline queued orders from multiple sales channels, optimize seat utilization in the dining room, and increase flow-through of reservation and waitlist parties. These modules are stand-ready obligations to provide access to the platform that is satisfied over the contract term, which typically begins with a minimum one-year term. Our contracts for the Engage solutions generally provide for monthly fixed fees and we

**Notes to Consolidated Financial Statements**

generally bill customers on a monthly basis, in arrears. As a result, the monthly fixed fees are recognized as revenue in the period in which the fees are generated.

*Professional Services and Other Revenue*

Professional services and other revenue primarily consists of fees for platform implementation services. The implementation fees in our contracts are generally variable, consisting of either a fixed fee or a fixed monthly fee over the duration of the implementation project. For contracts with fixed monthly fees, we estimate this variable consideration using the expected value method whereby, at contract inception, we estimate how many months it will take to implement the platform into the customer environment, including time to onboard restaurant franchise locations. This estimate is multiplied by the fixed monthly professional services fee to determine the transaction price, which is recognized over time as the services are performed. The transaction price may be subject to constraint and is included only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur in a future period. For arrangements where we charge monthly fees, any additional months required for implementation are billed at the same fixed monthly fee. Our customers benefit from our services as they are provided, and we use a cost-to-cost measure of progress to recognize revenue from our implementation services.

In certain contracts, we engage third parties to assist in providing professional services to our customers. We determined we are the principal in transferring these services to the customer and recognize revenue on a gross basis. We control the services being provided to our customer and are responsible for ensuring that the services are performed and are acceptable to our customer. That is, we are responsible for fulfillment of the promise in the contract with our customer, and we also have discretion in setting the price with our customer.

*Contracts with Multiple Performance Obligations*

Our contracts with customers may contain multiple performance obligations. We identify performance obligations in a contract with a customer based on the goods and services that will be transferred to the customer that are capable of being distinct and that are separately identifiable from other promises in the contract. If not considered distinct, the promised goods or services are combined with other goods or services and accounted for as a combined performance obligation. Identifying distinct performance obligations in a contract requires judgment. Our performance obligations primarily include access to our platform and its different modules and implementation services associated with the platform.

We have determined that the variable consideration allocation exception is generally applicable to our contracts, as the pricing for each service is generally commensurate with the value delivered to the customer for the provision of that service. If we determine for specific contracts that the allocation objective is not met, we analyze these contracts to determine whether a relative standalone selling price allocation should be performed.

Implementation services that require us to perform significant customization and modification of our platform to interface with the customer's environment are not distinct from the platform. Since our Ordering customers can renew their agreements without paying for implementation again upon renewal, we consider the discounted fees at renewal to provide a material right to the customer. That is, because the customer can renew the implemented service at a discount from the original transaction price, we considered the discount to be a material right since it provides the customer a significant discount to future services. Our obligation to provide future services at a discount is accounted for as a separate performance obligation. Accordingly, we recognize the fair value of the material right over the expected customer life, which commences when the implementation services are complete and the customer obtains access to the platform.

All other implementation services are generally distinct and accounted for as separate performance obligations. For contracts with multiple performance obligations, the transaction price is allocated to the separate performance obligations on a relative standalone selling price basis. We determine standalone selling price based on the price at which the distinct good or service is sold separately. If the standalone selling price is not observable through past transactions, we estimate the standalone selling price taking into account available information such as market conditions, internally approved pricing, and cost-plus expected margin guidelines related to the performance obligations.



**Notes to Consolidated Financial Statements***Contract Balances*

The timing of revenue recognition may differ from the timing of invoicing to customers. We record a receivable when revenue is recognized upon invoicing and payment will become due solely due to the passage of time. We record a contract asset when revenue is recognized prior to invoicing or payment is contingent upon transfer of control of another separate performance obligation. We record unearned revenue when revenue is recognized subsequent to cash collection. Unearned revenue that will be recognized during the succeeding 12-month period is recorded as current, and the remaining unearned revenue is recorded as non-current. Contract assets that will be billed to the customer during the succeeding 12-month period are recorded as current and the remaining contract assets are recorded as non-current.

Payment terms and conditions vary by contract type, although terms generally include a requirement for payment to be made within 30 days. We elected the practical expedient to not assess whether a significant financing component exists if the period between when we transfer a promised good or service to a customer and when the customer pays for that good or service is one year or less.

**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, data center related costs, and allocated overhead costs associated with delivering these services.

*Professional services and other*

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

**Research and Development Costs**

Research and development expenses are expensed as incurred and 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 useful life.

**Sales and Marketing**

Sales and marketing expenses primarily consist of sales, marketing and other personnel costs, commissions, amortization of customer relationships, general marketing and 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 expense all advertising costs when incurred. We incurred advertising expenses of approximately \$ 1.5 million, \$ 0.9 million, and \$ 1.3 million during the years ended December 31, 2023, 2022, and 2021, respectively. Advertising expense is recorded as a component of sales and marketing expenses in the consolidated statements of operations.

**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, insurance and travel-related expenses, and allocated overhead.

**Notes to Consolidated Financial Statements*****Restructuring Charges***

Restructuring charges are comprised of one-time termination benefits for 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 corporate reorganization in the second quarter of 2023, which entailed a reduction of workforce.

Restructuring charges were recorded under a one-time benefit arrangement and accounted for in accordance with ASC 420 Exit or Disposal Cost Obligations. One-time termination benefits were expensed at the date the employees were notified. See "Note 18—Restructuring Charges" for additional information on amounts recorded.

***Stock-Based Compensation***

We measure compensation expense for all stock-based payment awards, including stock options, restricted stock units ("RSUs"), and performance-based restricted stock units ("PSUs") granted to employees, directors, and non-employees, as well as purchases under our 2021 Employee Stock Purchase Plan ("ESPP"), based on the estimated fair value of the awards on the date of grant. Compensation expense associated with stock options and RSUs is recognized ratably in earnings, generally over the period during which an employee is required to provide service. Compensation expense associated with PSUs is recognized using the accelerated attribution method over the period we expect the service and performance conditions under the award will be achieved. Compensation expense associated with our ESPP is recognized over the offering period for the purchase rights issued under the plan. We adjust compensation expense based on actual forfeitures as necessary.

***Time-Based Service Awards***

Our stock options generally vest ratably over a four-year period and the fair value of stock options and ESPP shares is estimated on the date of grant using a Black-Scholes option pricing model. Awards with graded vesting features are recognized over the requisite service period for the entire award. The determination of the grant date fair value of stock awards issued is affected by a number of variables and subjective assumptions, including (i) the fair value of our common stock, (ii) the expected common stock price volatility over the expected life of the award, (iii) the expected term of the award, (iv) risk-free interest rates, (v) the exercise price, and (vi) the expected dividend yield of our common stock. The fair value for RSUs is calculated based on the stock price on the date of grant and our RSUs generally vest ratably over a four-year period.

Prior to the IPO, the fair value of our shares of common stock underlying the awards was historically determined by our Board of Directors with input from management and contemporaneous third-party valuations, as there was no public market for our common stock. The Board of Directors determined the fair value of the common stock by considering a number of objective and subjective factors including: the valuation of comparable companies, our operating and financial performance, the lack of liquidity of common stock, transactions in our common stock, and general and industry specific economic outlooks, amongst other factors. After the completion of the IPO, the fair value of our common stock underlying the awards is determined based on the New York Stock Exchange ("NYSE") closing price on the date of grant.

Prior to the IPO, we determined the volatility for stock option awards from the average historical stock volatility of several peer public companies over a period equivalent to the expected term of the awards. We selected companies with comparable characteristics to us, including enterprise value, risk profiles, and position within the industry and with historical share price information sufficient to meet the expected term of the stock options. After completion of the IPO, we calculate our expected volatility using the historical value of our stock over the trailing expected term of the option from the grant date.

We estimate the expected term based on the simplified method, which is the mid-point between the vesting date and the end of the contractual term for each award. The risk-free interest rate is based on the United States Treasury yield curve in effect at the time of grant whose term is consistent with the expected life of the award.

Expected dividend yield is zero percent, as we have not paid, and do not anticipate paying, dividends on our Class A common stock or Class B common stock. Upon the exercise of a stock option award or the vesting of an RSU award, shares of either our Class A common stock or Class B common stock are issued from authorized but unissued shares.

**Notes to Consolidated Financial Statements***Performance-Based Awards*

Starting in 2023, we began awarding PSUs in addition to RSUs, which have performance and service vesting requirements. The fair value for PSUs is calculated based on the stock price on the date of grant and the PSUs vest depending on the achievement of certain financial metrics relative to the approved performance targets. Depending on the actual financial metrics achieved relative to the target financial metrics throughout the defined performance period of the award, the number of PSUs issued could range from 0 % to 120 % of the target amount. As of interim and annual reporting periods, stock-based compensation expense for PSUs is adjusted based on expected achievement of performance targets.

We also have historically granted SARs that vest only upon the satisfaction of performance based conditions. The performance-based conditions are satisfied upon the occurrence of a qualifying event, defined as the earlier of (i) the closing of certain change in control transactions, or (ii) an IPO. We record stock-based compensation expense for performance-based equity awards when the performance-based conditions are considered probable to be satisfied. Upon completion of the IPO during the year ended December 31, 2021, SARs were vested and settled, resulting in the issuance of 1,642,570 shares of Class B common stock. We recognized \$2.8 million of compensation expense relating to SARs during the year ended December 31, 2021.

For performance-based SARs granted prior to the IPO, we determined the grant-date fair value utilizing the valuation model as described above for time-based awards.

*Net Loss Per Share Attributable to Common Shareholders*

We compute net loss per share using the two-class method required for multiple classes of common stock and participating securities. The two-class method requires income available to common stockholders for the period to be allocated between the common stock and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

We consider our redeemable convertible preferred stock and Class B common stock issued upon early exercise of stock options, subject to repurchase, to be participating securities because holders of such shares have non-forfeitable dividend rights in the event a cash dividend is declared on Class A and Class B common stock.

The holders of the redeemable convertible preferred stock and Class B common stock issued upon early exercise of stock options would be entitled to dividends in preference to common shareholders, at specified rates, if declared. Then any remaining earnings would be distributed to the holders of Class A and Class B common stock, restricted Class A and Class B common stock, Class B common stock issued upon early exercise of stock options, and the holders of the redeemable convertible preferred stock on a pro-rata basis assuming conversion of all redeemable convertible preferred stock into Class B common stock. These participating securities do not contractually require the holders of such shares to participate in our losses. As such, net losses for the periods presented were not allocated to our participating securities. Upon completion of the IPO, all material participating securities were converted into Class B common stock.

Basic net loss per share attributable to Class A and Class B common stockholders is calculated by dividing the net loss attributable to Class A and Class B common stockholders by the weighted-average number of shares of Class A and Class B common stock outstanding for the period. The diluted net loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method based on the nature of such securities. For periods in which we reported net losses, diluted net loss per common share attributable to Class A and Class B common stockholders is the same as basic net loss per common share attributable to Class A and Class B common stockholders, because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

*Recently Issued Accounting Pronouncements*

In November 2023, the Financial Accounting Standards Board ("FASB") issued 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 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

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**Notes to Consolidated Financial Statements**

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):

Year Ended December 31, 2023			
	Professional Services and		
	Platform	Other	Total
Timing of revenue recognition			
Transferred over time	\$ 100,639	\$ 3,110	\$ 103,749
Transferred at a point in time	124,540	—	124,540
Total revenue	<u>\$ 225,179</u>	<u>\$ 3,110</u>	<u>\$ 228,289</u>

Year Ended December 31, 2022			
	Professional Services and		
	Platform	Other	Total
Timing of revenue recognition			
Transferred over time	\$ 92,304	\$ 4,111	\$ 96,415
Transferred at a point in time	88,989	—	88,989
Total revenue	<u>\$ 181,293</u>	<u>\$ 4,111</u>	<u>\$ 185,404</u>

Year Ended December 31, 2021			
	Professional Services and		
	Platform	Other	Total
Timing of revenue recognition			
Transferred over time	\$ 67,065	\$ 4,922	\$ 71,987
Transferred at a point in time	77,381	—	77,381
Total revenue	<u>\$ 144,446</u>	<u>\$ 4,922</u>	<u>\$ 149,368</u>

**Contract Balances**

*Contract Assets*

As described in "Note 2—Significant Accounting Policies," 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 \$ 0.8 million and \$ 0.6 million as of December 31, 2023 and 2022, respectively.

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**Notes to Consolidated Financial Statements**

*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 year ended December 31, 2023, we recognized \$ 1.9 million of revenue related to contracts that were included in unearned revenue at December 31, 2022. During the year ended December 31, 2022, we recognized \$ 1.6 million of revenue related to contracts that were included in unearned revenue at December 31, 2021.

As of December 31, 2023, our remaining performance obligations were approximately \$ 30.2 million, approximately 56 % of which we expect to recognize as revenue over the next 12 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.

*Deferred Contract Costs*

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

	Year Ended December 31,	
	2023	2022
Balance at beginning of period	\$ 7,022	\$ 6,183
Capitalization of deferred contract costs	8,140	4,485
Amortization of deferred contract costs	( 4,613 )	( 3,646 )
Balance at end of period	<u>\$ 10,549</u>	<u>\$ 7,022</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.

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Notes to Consolidated Financial Statements

The following tables present the costs, net unrealized losses, and fair value by major security type for our investments as of December 31, 2023 and 2022 (in thousands):

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

As of December 31, 2022						
	Cost	Net Unrealized Losses	Fair Value	Cash and cash equivalents	Short-term investments	Long-term investments
Cash	\$ 200,808	\$ —	\$ 200,808	\$ 200,808	\$ —	\$ —
Level 1:						
Money market funds	142,168	—	142,168	142,168	—	—
Commercial paper	21,920	( 39 )	21,881	—	21,881	—
Subtotal	164,088	( 39 )	164,049	142,168	21,881	—
Level 2:						
Certificates of deposit	35,081	( 97 )	34,984	6,351	28,633	—
U.S. Government and agency securities	30,408	( 42 )	30,366	—	29,431	935
Corporate bonds	21,070	( 75 )	20,995	746	18,754	1,495
Subtotal	86,559	( 214 )	86,345	7,097	76,818	2,430
Level 3:	—	—	—	—	—	—
Total	\$ 451,455	\$ ( 253 )	\$ 451,202	\$ 350,073	\$ 98,699	\$ 2,430

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. No material impairment charges were recorded during the year ended December 31, 2023. During the year ended December 31, 2022, we determined that the estimated fair value of a portion of our internal-use software was non-recoverable, and we recorded a non-cash impairment charge of \$ 0.5 million, as more fully described in "Note 5—Property and Equipment." In addition, during the year ended December 31, 2022, we entered into a sublease of our former corporate headquarters, and in connection with this, we recorded a non-cash impairment charge of \$ 2.3 million related to our right-of-use asset and furniture and fixtures within the leased space. See "Note 11—Leases" for additional information on the sublease agreement.

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.

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**Notes to Consolidated Financial Statements**

**5. Property and Equipment**

Property and equipment consisted of the following (in thousands):

	Estimated Useful Life (in Years)	As of December 31, 2023	As of December 31, 2022
Computer and office equipment	3 - 5	\$ 1,800	\$ 1,864
Capitalized internal-use software	3	30,288	13,668
Furniture and fixtures	10	33	132
Leasehold improvements	Shorter of estimated useful life or remaining term of lease	45	364
Total property and equipment		32,166	16,028
Less: accumulated depreciation and amortization		( 10,111 )	( 4,328 )
Total property and equipment, net		\$ 22,055	\$ 11,700

Depreciation and amortization expense was approximately \$ 6.3 million, \$ 2.2 million, and \$ 1.1 million for the years ended December 31, 2023, 2022, and 2021, respectively.

We recorded a non-cash impairment charge of \$ 0.1 million for the year ended December 31, 2022 in connection with the sublease of our former corporate headquarters, as we determined a group of assets in the leased space was no longer recoverable. This amount was recorded in general and administrative expenses within the consolidated statement of operations. See "Note 11—Leases" for additional information on the sublease agreement.

*Capitalized Internal-Use Software*

As of December 31, 2023 and 2022 gross capitalized costs related to internal-use software of \$ 30.3 million and \$ 13.7 million, respectively, were included within property and equipment, net on the balance sheet, and such amounts are amortized on a straight-line basis over the estimated useful life of the software within platform cost of revenue. Amortization expense recorded for the years ended December 31, 2023, 2022, and 2021 was \$ 5.9 million, \$ 1.7 million, and \$ 0.6 million, respectively. Associated with the balances as of December 31, 2023, we expect our annual amortization expense for capitalized internal-use software to be \$ 7.7 million in 2024, \$ 6.5 million in 2025, and \$ 2.0 million in 2026.

We recorded a non-cash impairment charge of \$ 0.5 million for the year ended December 31, 2022 related to a portion of our internal-use software that was abandoned. This amount was recorded in research and development expenses within the consolidated statement of operations.

**6. Acquisitions**

***Omnivore Acquisition***

On February 20, 2022, we signed a definitive agreement to acquire Omnivore Technologies, Inc. ("Omnivore"), a restaurant technology provider that connects restaurants' point-of-sale systems with technologies that improve efficiency and increase profitability. We closed the acquisition on March 4, 2022 for total consideration of approximately \$ 49.3 million in cash, net of cash acquired and a post-closing working capital adjustment.

The operating results of Omnivore have been included in our consolidated statement of operations since the acquisition date. Actual results of operations from the date of acquisition through December 31, 2022 and supplemental pro forma revenue and results of operations have not been presented because the effects were not material to the consolidated financial statements.

We finalized the valuation of assets acquired and liabilities assumed for the acquisition of Omnivore during the year ended December 31, 2023. We did not record any measurement period adjustments during the year ended December 31, 2023.

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**Notes to Consolidated Financial Statements**

*Purchase Price Allocation*

The acquisition was accounted for under the acquisition method in accordance with ASC 805, *Business Combinations*. The following table summarizes the allocation of the purchase price (at fair value), including measurement period adjustments, of the assets acquired and liabilities assumed of Omnivore (in thousands):

	<b>Final Purchase Price Allocation</b>
Accounts receivable	\$ 451
Other current assets	148
Operating lease right-of-use asset	236
Property and equipment	24
Other assets, noncurrent	9
Customer relationships	1,290
Developed technology	4,410
Trademark	150
Goodwill	44,919
Accounts payable	( 198 )
Accrued expenses and other current liabilities	( 101 )
Unearned revenue	( 226 )
Operating lease liability, current	( 81 )
Operating lease liability, noncurrent	( 177 )
Deferred tax liability, net	( 1,519 )
Total purchase price, net of cash acquired and post-closing working capital adjustment	<u>\$ 49,335</u>

Customer relationships were measured at fair value using the multiple-period excess earnings method under the income approach. Significant inputs used to measure the fair value include an estimate of projected revenue and costs associated with existing customers, and a discount rate of 11.0 %.

Developed technology was measured at fair value using the relief-from-royalty method of the income approach. Significant inputs used to measure the fair value include an estimate of projected revenue from existing technology, a pre-tax royalty rate of 20.0 % and a discount rate of 11.0 %.

Trademark was measured at fair value using the relief-from-royalty method under the income approach. Significant inputs used to measure the fair value include an estimate of projected revenue from the trademark, a pre-tax royalty rate of 1.0 % and a discount rate of 11.0 %.

Goodwill represents the future economic benefits expected to arise from other intangible assets acquired that do not qualify for separate recognition, including an experienced workforce that will help accelerate product development and go to market strategy, as well as expected future synergies generated by integrating Omnivore's products with those in our existing platform. None of the goodwill is expected to be deductible for tax purposes.

We recorded \$ 0.1 million and \$ 1.3 million in transaction related expenses, primarily related to compensation, advisory, legal, valuation, and other professional fees, for the years ended December 31, 2023 and 2022, respectively. The transaction related expenses are recorded primarily within the sales and marketing and general and administrative expenses line items of the consolidated statements of operations.

***Wisely Acquisition***

On October 21, 2021, we signed a definitive agreement to acquire all of the outstanding shares of Wisely Inc. ("Wisely"), a customer intelligence and engagement platform for restaurants. We believe Wisely's guest engagement and front of house solutions complement our existing solution suite and enhance our value to our customers. We closed the acquisition on November 4, 2021 for total consideration of approximately \$ 177.7 million, consisting of \$ 75.1 million in cash (net of cash acquired, and including a working capital adjustment payment we received during 2022 of \$ 0.1 million as a result of finalizing our working capital acquired), \$ 96.6 million of Class A common stock, and \$ 5.9 million of substituted stock options granted in



## Notes to Consolidated Financial Statements

connection with the acquisition. The fair values of the Class A common stock and substituted stock options were based on a price per Class A common share of \$ 27.93 , which is equal to the closing price of our Class A common stock on the date of the transaction. As a result of the equity consideration component, we issued approximately 3.5 million shares of our Class A common stock and granted approximately 0.2 million fully vested stock options at the acquisition date. The fair value of the substituted options granted was based upon the estimated value of vested stock options held by Wisely employees immediately prior to the acquisition.

The operating results of Wisely have been included in our consolidated statement of operations since the acquisition date. Actual results of operations from the date of acquisition through December 31, 2021 and supplemental pro forma revenue and results of operations have not been presented because the effects were not material to the consolidated financial statements.

We finalized the valuation of assets acquired and liabilities assumed for the acquisition of Wisely during the year ended December 31, 2022.

### Purchase Price Allocation

The acquisition was accounted for under the acquisition method in accordance with ASC 805, *Business Combinations*. The following table summarizes the allocation of the purchase price to the fair value of the assets acquired and liabilities assumed of Wisely (in thousands):

	Final Purchase Price Allocation
Accounts receivable	\$ 776
Other current assets <sup>(1)</sup>	1,145
Customer relationships	9,631
Developed technology	10,185
Trademark	336
Goodwill	162,862
Accrued liabilities <sup>(1)</sup>	( 1,394 )
Deferred revenue	( 925 )
Deferred tax liability, net	( 4,896 )
Total purchase price, net of cash acquired and post-closing working capital adjustment	\$ 177,720

(1) Pursuant to the terms of the merger agreement, we recognized an indemnification asset of \$ 1.0 million related to certain assumed liabilities at the acquisition date. The indemnification asset was measured and recognized on the same basis and at the same time as the indemnified liabilities.

The purchase price allocation resulted in the recognition of \$ 162.9 million of goodwill. None of the goodwill is expected to be deductible for tax purposes.

We recorded \$ 0.3 million, \$ 0.3 million and \$ 2.8 million in transaction related expenses, primarily related to legal and insurance fees, compensation, valuation, and other professional fees for the years ended December 31, 2023, 2022 and 2021, respectively.

## 7. Goodwill and Intangible Assets

The following table summarizes the changes in the carrying amount of goodwill (in thousands):

Balance at December 31, 2021	162,956
Adjustment to Wisely acquisition	( 94 )
Omnivore Acquisition	44,919
Balance at December 31, 2022	\$ 207,781
Adjustments	—
Balance at December 31, 2023	\$ 207,781

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The gross book value and accumulated amortization of intangible assets, net, as of December 31, 2023 and 2022 were as follows (in thousands):

	Weighted-average Remaining Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Developed technology	3.94	\$ 14,595	\$ ( 5,025 )	\$ 9,570
Customer relationships	5.87	10,921	( 2,904 )	8,017
Trademarks	0.96	486	( 335 )	151
Balance at December 31, 2023		\$ 26,002	\$ ( 8,264 )	\$ 17,738

	Weighted-average Remaining Useful Life (in years)	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Developed technology	4.94	\$ 14,595	\$ ( 2,593 )	\$ 12,002
Customer relationships	6.87	10,921	( 1,539 )	9,382
Trademarks	1.95	486	( 172 )	314
Balance at December 31, 2022		\$ 26,002	\$ ( 4,304 )	\$ 21,698

Amortization expense associated with the acquired intangible assets was \$ 4.0 million, \$ 3.8 million, and \$ 0.5 million for the years ended December 31, 2023, 2022, and 2021 respectively.

As of December 31, 2023, estimated amortization related to the identifiable acquisition-related intangible assets expected to be recognized in future periods was as follows (in thousands):

2024	\$ 3,941
2025	3,806
2026	3,798
2027	3,515
2028	1,487
Thereafter	1,191
Total	\$ 17,738

No goodwill or intangible asset impairment losses were recognized during the years ended December 31, 2023, 2022, and 2021 . See "Note 6 —Acquisitions" for additional information on the acquisitions of Omnivore and Wisely.

**8. Prepaid Expenses and Other Current Assets**

Prepaid expenses and other current assets consist of the following (in thousands):

	As of December 31, 2023	As of December 31, 2022
Prepaid software licensing fees	\$ 4,177	\$ 3,197
Prepaid insurance	2,827	3,717
Other	5,765	4,773
Total prepaid expenses and other current assets	\$ 12,769	\$ 11,687

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**9. Accrued Expenses and Other Liabilities**

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

	As of December 31, 2023	As of December 31, 2022
Accrued delivery service partner fees	\$ 39,964	\$ 40,846
Accrued compensation and benefits	9,148	6,986
Accrued legal settlement <sup>(1)</sup>	9,000	—
Professional and consulting fees	3,866	1,262
Sublease liability <sup>(2)</sup>	2,032	—
Accrued taxes	1,068	674
Other	3,162	2,643
Total accrued expenses and other current liabilities	<u>\$ 68,240</u>	<u>\$ 52,411</u>

(1) See "Note 16—Commitments and Contingencies" for details.

(2) We received restricted cash on behalf of the subtenant of our former corporate headquarters at One World Trade Center in advance of certain future rental obligations that will be due from the subtenant. See "Note 11—Leases" for more details.

**10. Line of Credit**

On June 10, 2022, we entered into the Second Amended and Restated Loan and Security Agreement with Pacific Western Bank related to a revolving credit and term loan facility (the "Second Amended and Restated LSA").

The Second Amended and Restated LSA amended and restated the Amended and Restated Loan and Security Agreement, dated February 11, 2020, as amended (the "Prior LSA") to, among other things, increase our available aggregate borrowing limit to \$ 70.0 million and to provide the ability to request Pacific Western Bank to enter into commitments to increase the credit extensions available to us under the Second Amended and Restated LSA to up to \$ 125.0 million (the "Accordion Facility").

Borrowings under the Second Amended and Restated LSA accrue interest at a variable annual rate equal to (i) in the case of Formula Advances (as defined in the Second Amended and Restated LSA), the greater of the variable rate of interest, per annum, most recently announced by Pacific Western Bank (the "Prime Rate") or 3.25 % or (ii) in the case of Term Loans (as defined in the Second Amended and Restated LSA), the greater of the Prime Rate plus 0.25 % or 3.50 %. The Second Amended and Restated LSA provides for a success fee payable upon an acquisition of Olo or termination of the Second Amended and Restated LSA (a "Success Fee Trigger"), in an amount equal to: (i) \$ 600,000 , if the Success Fee Trigger occurs prior to June 10, 2024; (ii) \$ 400,000 , if the Success Fee Trigger occurs on or after June 10, 2024 and prior to June 10, 2025; (iii) \$ 200,000 , if the Success Fee Trigger occurs on or after June 10, 2025 and prior to June 10, 2026; and (iv) \$ 0 , if the Success Fee Trigger occurs on or after June 10, 2026. We are also required to pay a fee of 1.0 % of the difference between (i) the highest outstanding principal balance during the term of the Second Amended and Restated LSA and (ii) \$ 3.5 million if a Liquidity Event (as defined in the Second Amended and Restated LSA) occurs during the term and or within 24 months after the termination of the Second Amended and Restated LSA. Our obligations under the Second Amended and Restated LSA are secured by substantially all of our assets, including certain securities owned by us in any subsidiary.

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 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 December 31, 2023, and expect to remain in compliance for at least the upcoming twelve months.

The Second Amended and Restated LSA also contains events of default that include, among other things, non-payment defaults, covenant defaults, insolvency defaults, cross-defaults to other indebtedness and material obligations, judgment defaults, inaccuracy of representations and warranties, and a material adverse change. Any default that is not cured or waived could result in Pacific Western Bank exercising its rights and remedies under the Second Amended and Restated LSA.

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including, but not limited to, the acceleration of the obligations under the Second Amended and Restated LSA and related documentation, and would permit Pacific Western Bank to exercise remedies with respect to all of the collateral that secured such obligations.

Pacific Western Bank has the right to terminate its obligation to make further advances to us immediately and without notice upon the occurrence and during the continuance of an event of default. Upon our request, Pacific Western Bank will provide us a payoff letter providing for, among other things, repayment of our obligations then outstanding, including the success fee, and for termination of Pacific Western Bank's obligations to make additional credit extensions and termination of the liens under the Second Amended and Restated LSA.

As of December 31, 2023, we had \$ 43.6 million of commitments available under the Second Amended and Restated LSA, after consideration of \$ 25.0 million in our letter of credit to DoorDash and \$ 1.4 million in our letter of credit on the lease of One World Trade Center. As of December 31, 2023, we had no outstanding borrowings under the line of credit, and no amounts have been drawn against any of our letters of credit.

Interest expense related to the line of credit was immaterial for each of the years ended December 31, 2023, 2022, and 2021. Deferred financing costs related to the Second Amended and Restated LSA were capitalized and are included within other current and non-current assets as of December 31, 2023.

**11. Leases**

Our operating lease portfolio consists of three non-cancelable operating leases of office space and the remaining lease term expiration dates span from January 2025 to May 2030. In December 2022, we entered into a new lease agreement and relocated our corporate headquarters ("Headquarters Lease"). The Headquarters Lease is a non-cancelable operating lease which expires in March 2025. Currently, there are no operating leases where we believe it is reasonably certain that we will exercise any option to extend the initial term.

The elements of lease expense were as follows (in thousands):

	Year Ended December 31,	
	2023	2022
Operating lease costs	\$ 3,815	\$ 3,459
Other lease income	( 2,513 )	( 549 )
Total lease costs	<u>\$ 1,302</u>	<u>\$ 2,910</u>

Rent expense, excluding sublease income, under ASC 840, *Leases*, was \$ 3.3 million for the year ended December 31, 2021. Rental income was \$ 0.3 million for the year ended December 31, 2021.

Other information related to operating leases were as follows (in thousands, except for years and percentages):

	Year Ended December 31,	
	2023	2022
Cash paid for amounts included in the initial measurement of lease liabilities	\$ 3,940	\$ 3,606
Weighted average remaining lease term (years)	6.08	6.74
Weighted average discount rate	5.59 %	5.59 %

## Notes to Consolidated Financial Statements

As of December 31, 2023, the total remaining operating lease payments included in the measurement of lease liabilities were as follows (in thousands):

2024	\$	3,710
2025		3,106
2026		2,960
2027		2,960
2028		2,960
Thereafter		4,194
Total future minimum lease payments		19,890
Less: imputed interest		( 3,063 )
Total	\$	16,827

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.

We received restricted cash during 2023 on behalf of the subtenant of our former corporate headquarters at One World Trade Center in advance of certain future rental obligations that will be due from the subtenant. The remaining balance we received on behalf of the subtenant of \$ 2.0 million is included in cash and cash equivalents, with an equal and offsetting liability in accrued expenses and other current liabilities in the consolidated balance sheets as of December 31, 2023. During February 2024, the subtenant surrendered the premises back to us.

In August 2022, we entered into a sublease agreement for the remaining term of the Former Headquarters lease that expires in May 2030. In accordance with ASC Topic 360, we evaluated the associated assets for impairment, which included the right-of-use asset and furniture and fixtures for the office space. We compared the expected future undiscounted cash flows attributable to the associated assets to the carrying value and determined that they were impaired. Based on this evaluation, we determined that a portion of the right-of-use asset was no longer recoverable and recorded a right-of-use asset impairment charge of \$ 2.2 million for the year ended December 31, 2022. We also determined that furniture and fixtures related to the space were no longer recoverable, and recorded an asset impairment charge for the carrying value of the assets of \$ 0.1 million year ended December 31, 2022. We also recorded broker commission fees of \$ 0.9 million in connection with entering into the sublease. These impairment charges and commission expenses were recorded in general and administrative expenses in the consolidated statement of operations.

## 12. Stockholders' Equity (Deficit)

### *Changes in Capital Structure*

On March 5, 2021, our Board of Directors and stockholders approved an amended and restated certificate of incorporation effecting a 17 -for-1 forward stock split of our issued and outstanding shares of common stock and Series A, A-1, B, C, D, E preferred stock. Additionally, all outstanding equity instruments, including our time-based stock options, performance-based SARs, and preferred stock warrants, were adjusted to reflect the 17 -for-1 forward stock split. The stock split was effected on March 5, 2021. The par value of the Class B common stock and redeemable convertible preferred stock was not adjusted as a result of the stock split. All issued and outstanding Class B common stock, redeemable convertible preferred stock, warrants to purchase shares of redeemable convertible preferred stock, and stock options, as well as the per share amounts, included in the accompanying consolidated financial statements have been adjusted to reflect this stock split for all periods presented.

On March 5, 2021, our Board of Directors and stockholders approved and we implemented a dual class common stock structure where all existing shares of common stock converted to Class B common stock and we authorized a new class of common stock, Class A common stock. The authorized share capital for Class A common stock is 1,700,000,000 and the authorized share capital for Class B common stock is 185,000,000 . The Class A common stock is entitled to one vote per share and the Class B common stock is entitled to ten votes per share. The Class A and Class B common stock have the same rights and privileges and rank equally, share ratably, and are identical in all respects and for all matters except for voting, conversion, and transfer rights. The Class B common stock converts to Class A common stock at any time at the option of the holder.

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References in the accompanying consolidated financial statements have been adjusted to reflect the dual class common stock structure and the changes in the number of authorized shares of common stock. We also authorized a total of 20,000,000 shares of undesignated preferred stock, par value \$ 0.001 per share. Effective March 5, 2021, 124,012,926 outstanding shares of common stock were converted into an equivalent number of shares of our Class B common stock.

Class A common stock and Class B common stock reserved for future issuance consisted of the following:

	As of December 31, 2023	As of December 31, 2022
Shares available for grant under employee stock purchase plan	5,579,991	4,988,944
Shares available for grant under stock option plan	25,029,007	23,358,039
Restricted and performance-based restricted stock units	9,940,581	4,559,917
Options issued and outstanding under stock option plan	21,797,792	29,859,096
Total common stock reserved for future issuance	<u>62,347,371</u>	<u>62,765,996</u>

**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"). Under the Stock Buyback Program, shares of Class A common stock may be repurchased 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 Stock Buyback Program does not obligate us to acquire any specific number of shares.

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 timing and actual number of shares repurchased is determined by a committee established by the Board of Directors and depends 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. Repurchases under the Stock Buyback Program have to date been, and are expected in the future to be, funded with existing cash on hand. The Stock Buyback Program has no expiration date and may be modified, suspended or terminated at any time by the Board of Directors at its discretion.

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 <sup>(1)</sup>	Value of Shares Repurchased <sup>(1)</sup>	Remaining Amount Authorized
Balance as of January 1, 2022				100,000 \$
Repurchases of common stock for the year ended:				
December 31, 2022	2,687,592	\$ 7.44	\$ 20,000	( 20,000 )
December 31, 2023	8,849,632	\$ 6.54	\$ 57,903	( 57,903 )
Total	<u>11,537,224</u>	<u>\$ 6.75</u>	<u>\$ 77,903</u>	<u>\$ 22,097</u>

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

**Charitable Contributions**

In March 2021, our Board of Directors approved the issuance of 1,729,189 shares of our Class A common stock to an independent donor-advised fund sponsor, Tides Foundation, in conjunction with our Olo for Good initiative. We donated 172,918 shares of our Class A common stock to the Olo for Good Fund at Tides Foundation and recognized \$ 1.1 million as a non-cash general and administrative expense in our consolidated statement of operations for the year ended December 31, 2023.

**Notes to Consolidated Financial Statements**

We donated 172,918 shares of our Class A common stock to the Olo for Good Fund at Tides Foundation and recognized \$ 1.4 million as a non-cash general and administrative expense in our consolidated statement of operations for the year ended December 31, 2022.

Through December 31, 2023, we have donated a total of 691,672 shares of our Class A common stock. We expect to donate 1/10th of the total remaining approved shares into the fund annually.

**13. Stock-Based Compensation*****Equity Incentive Plans***

On March 5, 2021, our Board of Directors adopted our 2021 Equity Incentive Plan ("2021 Plan"). Prior to that date, we had established our 2015 Equity Incentive Plan ("2015 Plan") and 2005 Equity Incentive Plan ("2005 Plan" and collectively with the 2021 Plan and 2015 Plan, the "Plans"). The 2021 Plan serves as the successor to the 2015 Plan and 2005 Plan and provides for the issuance of incentive and nonqualified stock options, SARs, 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 8,124,002 additional shares of Class A common stock reserved and available for issuance under the 2021 Plan effective as of January 1, 2023.

Stock options under the Plans may be granted with contractual terms of up to ten years (or five years if granted to a greater than 10.0 % stockholder) and at prices no less than 100.0 % of the fair value of the shares on the date of grant; provided, however, that (i) the exercise price of an incentive stock option ("ISO") and nonqualified stock option ("NSO") granted to a greater than 10.0 % stockholder shall not be less than 110.0 % of the fair value of the shares on the date of grant. Awards granted under the Plans generally vest over four years .

Certain stock options have an early exercise feature. Shares purchased pursuant to the early exercise of stock options are subject to repurchase until those shares vest; therefore, cash received in exchange for unvested shares exercised is recorded as a liability on the accompanying consolidated balance sheets, and is reclassified to Class B common stock and additional paid-in capital as the shares vest. There were no early exercised shares outstanding and no liability as of December 31, 2023. As of December 31, 2022 there were 35,326 early exercised shares outstanding and a related liability of \$ 0.1 million recorded in accrued expenses and other current liabilities in our consolidated balance sheet.

On March 13, 2021, our Board of Directors adopted a non-employee director compensation policy that became effective upon our IPO. The policy provides for annual cash retainers for non-employee directors and an additional cash retainer for those non-employee directors that serve as chairpersons or members of our audit, compensation, nominating and corporate governance, and other committees. Additionally, directors will have the option to receive their annual retainer amounts in cash or equity. Each new non-employee director appointed to the Board of Directors after the IPO date will be granted an initial RSU award with a value of \$ 0.3 million subject to vesting over a three-year period.

As of December 31, 2023 and 2022, the maximum number of shares authorized for issuance to participants under the Plans was 40,556,635 and 30,263,529 , respectively. As of December 31, 2023 and 2022, the number of shares available for issuance to participants under the Plans was 25,029,007 and 23,358,039 , respectively.

During the years ended December 31, 2023 and 2022, no SARs were granted to employees. The SARs outstanding as of the time of the IPO were equity-classified and were measured at the grant date fair value. The SARs were vested and settled upon completion of the IPO and 1,642,570 shares of Class B common stock were issued in connection with this event. Compensation expense of \$ 2.8 million was recognized for the year ended December 31, 2021.

***Restricted Stock Units and Performance-Based Restricted Stock Units***

Starting in 2023, we began awarding PSUs in addition to the RSUs. The target number of shares underlying the RSU and PSU awards 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.

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The amount of PSUs issued will depend on the achievement of certain financial metrics relative to the approved performance targets. Depending on the actual financial metrics achieved relative to the target financial metrics, the number of PSUs issued could range from 0 % to 120 % of the target amount. As of interim and annual reporting periods, stock-based compensation expense for PSUs is adjusted based on expected achievement of performance targets.

The following table summarizes the activity for the unvested RSUs and PSUs during the year ended December 31, 2023:

	Shares	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2022	4,559,917	\$ 15.57
Granted	11,431,469	6.99
Vested	( 3,438,926 )	10.43
Forfeited and canceled	( 2,611,879 )	11.03
Unvested at December 31, 2023	9,940,581	\$ 8.67

The total fair value of RSUs vested during year ended December 31, 2023 was \$ 23.7 million. No PSUs vested during year ended December 31, 2023. Future stock-based compensation for unvested RSUs and PSUs awarded as of December 31, 2023 was approximately \$ 79.1 million and is expected to be recognized over a weighted-average period of 2.98 years.

**Stock Options**

The following summarizes our stock option activity for the periods indicated (in thousands, except share and per share amounts):

	Number of options outstanding	Weighted- average exercise price	Weighted- average remaining contractual term (In years)	Aggregate intrinsic value
As of December 31, 2022	29,859,096	\$ 4.10	4.67	\$ 97,523
Granted	—	—		
Exercised	( 5,694,748 )	1.74		
Forfeited and canceled	( 2,366,556 )	7.46		
Vested and expected to vest as of December 31, 2023	21,797,792	\$ 4.35	3.69	\$ 59,055
Exercisable as of December 31, 2023	20,080,699	\$ 3.75	3.38	\$ 58,857

The following table summarizes the weighted-average grant date fair value of options granted, intrinsic value of options exercised, and fair value of options vested for the years ended December 31, 2023, 2022, and 2021 (in thousands, except per share amounts):

	Year Ended December 31,		
	2023	2022	2021
Weighted-average grant date fair value of options granted	N/A	\$ 4.87	\$ 10.17
Intrinsic value of options exercised	\$ 30,060	\$ 66,326	\$ 246,238
Total fair value of options vested	\$ 18,368	\$ 26,668	\$ 43,769

Future stock-based compensation for unvested employee options granted and outstanding as of December 31, 2023 was \$ 13.3 million and is expected to be recognized over a weighted-average period of 1.24 years.



## Notes to Consolidated Financial Statements

### Valuation Assumptions

We estimated the fair value of stock options granted using the Black-Scholes option pricing model with the following weighted-average assumptions:

	Year Ended December 31,	
	2022	2021
Expected term (in years)	5.24 - 6.00	5.48 - 6.07
Volatility	32 % - 36 %	52 % - 65 %
Risk-free interest rate	1.62 % - 2.87 %	0.50 % - 1.06 %
Dividend yield	0 %	0 %
Fair value of underlying common stock	\$ 11.07 - \$ 15.75	\$ 16.78 - \$ 30.02

We elected to use the midpoint practical expedient to calculate the expected term.

### 2021 Employee Stock Purchase Plan

On March 5, 2021, our Board of Directors and stockholders adopted our employee stock purchase plan ("ESPP"). The ESPP became effective immediately prior to the IPO. The employee stock purchase plan ("ESPP") was authorized by the Board of Directors for the issuance of 3,900,000 shares of our Class A common stock pursuant to purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our Class A common stock reserved for issuance automatically increase on January 1 of each calendar year through January 1, 2031, by the lesser of (1) 1.0 % of the total number of shares of our Class A common stock outstanding on December 31 of the preceding calendar year, or (2) 11,700,000 Class A common shares; provided, that prior to the date of any such increase, our Board of Directors may determine that such increase will be less than the amount set forth in clauses (1) and (2). Employees may contribute, normally through payroll deductions, up to 15 % of their earnings for the purchase of our Class A common stock under the ESPP. Our Class A common stock will be purchased for the accounts of employees participating in the ESPP at a price per Class A common share equal to the lower of (a) 85 % of the fair market value of our Class A common stock on the first trading date of an offering or (b) 85 % of the fair market value of our Class A common stock on the date of purchase. The current offering period began in December 2023 and ends in June 2024. Pursuant to the evergreen provisions of the ESPP, the Board of Directors approved an automatic increase of 1,050,883 additional shares of Class A common stock reserved and available for issuance under the ESPP effective as of January 1, 2023. As of December 31, 2023, a total of 5,579,991 shares were available for issuance to employees under the ESPP. For the years ended December 31, 2023, 2022, and 2021, we recorded approximately \$ 1.2 million, \$ 1.5 million, and \$ 1.3 million of compensation expense associated with our ESPP, respectively.

### Equity Awards Granted in Acquisition

In connection with the acquisition of Wisely, we issued stock options that were granted to Wisely employees and were fully vested and outstanding on the acquisition date under the Wisely 2019 Stock Plan. The stock options will be settled in shares of our Class A common stock and will retain the terms and conditions under which they were originally granted. No additional equity awards will be granted under the Wisely 2019 Stock Plan.

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**Stock-Based Compensation Expense**

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

	Year Ended December 31,		
	2023	2022	2021
Cost of revenue - platform	\$ 6,838	\$ 5,457	\$ 2,705
Cost of revenue - professional services and other	672	630	474
Research and development	15,055	14,053	11,283
General and administrative	20,813	20,339	16,137
Sales and marketing	7,756	5,545	2,128
Restructuring charges	1,728	—	—
Total stock-based compensation expense	\$ 52,862	\$ 46,024	\$ 32,727

**14. Warrants**

**Redeemable Convertible Preferred Stock Warrants**

Prior to the IPO, warrants to purchase 1,682,847 shares of our outstanding redeemable convertible preferred stock were exercised and converted into redeemable convertible preferred stock. Upon completion of the IPO, all shares of our outstanding redeemable convertible preferred stock, inclusive of the shares issued pursuant to these warrant exercises, converted into 100,196,780 shares of Class B common stock. The redeemable convertible preferred stock warrant liability was reclassified to additional paid-in capital in connection with the IPO. For the year ended December 31, 2021, we recorded a fair value adjustment of approximately \$ 18.9 million using the intrinsic value of each warrant on the date of the conversion immediately prior to the IPO, as the warrants were significantly in-the-money and the Black-Scholes input have a de minimis impact on their value.

**15. Income Taxes**

The provision for income taxes consists of the following for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Current income tax provision:			
Federal	\$ —	\$ —	\$ —
State	229	238	340
Total current income tax provision	229	238	340
Deferred income tax provision:			
Federal	—	( 1,151 )	( 4,056 )
State	—	( 368 )	( 840 )
Total deferred income tax benefit	—	( 1,519 )	( 4,896 )
Total income tax (benefit) provision	\$ 229	\$ ( 1,282 )	\$ ( 4,556 )

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A reconciliation of the U.S. statutory income tax rate to our effective tax rate is as follows:

	Year Ended December 31,		
	2023	2022	2021
Federal statutory rate	21.00 %	21.00 %	21.00 %
Change in fair value of warrant	—	—	( 8.53 )
State and local taxes, net of federal benefit	0.25	2.23	8.63
Acquisition-related deferred tax liability	—	3.22	10.51
Valuation allowance	( 24.04 )	( 17.66 )	( 90.05 )
Stock-based compensation	7.82	6.34	86.84
Executive compensation	( 5.61 )	( 7.24 )	( 16.81 )
Other	0.19	( 5.18 )	( 1.86 )
Total provision and effective tax rate	( 0.39 )%	2.71 %	9.73 %

The difference between income taxes at the U.S. federal statutory income tax rate of 21% and the amounts reported for the year ended December 31, 2023 primarily relates to the full valuation allowance on our deferred tax assets and adjustments for stock-based compensation.

**Income Taxes**

The components of our net deferred tax assets and liabilities are as follows (in thousands):

	Year Ended December 31,	
	2023	2022
Deferred tax assets:		
Accrued expenses	\$ 1,526	\$ 968
Operating lease liabilities	4,269	5,206
Stock-based compensation	15,315	8,775
Net operating losses	72,505	61,203
Tax credits	1,517	1,517
Capitalized internal-use software	2,554	5,732
Charitable stock donation	4,003	3,611
Other	707	159
Total deferred tax assets	102,396	87,171
Less valuation allowance	( 91,630 )	( 74,931 )
Net deferred tax assets	10,766	12,240
Unearned revenue	( 147 )	( 63 )
Operating lease right-of-use assets	( 3,178 )	( 4,046 )
Intangible assets	( 4,438 )	( 5,582 )
Deferred contract costs	( 2,676 )	( 1,824 )
Property and equipment	( 327 )	( 725 )
Net deferred tax liabilities	( 10,766 )	( 12,240 )
Total net deferred tax assets (liabilities)	\$ —	\$ —

Assessing the realizability of deferred tax assets requires the determination of whether it is more-likely-than-not that some portion or all the deferred tax assets will not be realized. In assessing the need for a valuation allowance, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, loss carry-back and tax-planning strategies. Generally, more weight is given to objectively verifiable evidence, such as the cumulative loss in recent years, as a significant piece of negative evidence to overcome. Accordingly, a full valuation allowance has been established as of December 31, 2023 and 2022, and no deferred tax assets and related tax benefits have been recognized in the accompanying consolidated financial statements. The valuation allowance increased \$ 16.7 million during the year ended December 31, 2023 and increased \$ 18.6 million during the year ended December 31, 2022 from the

**Notes to Consolidated Financial Statements**

valuation allowances that were recorded as of December 31, 2022 and 2021, respectively. We recorded a deferred benefit for income taxes for the year ended December 31, 2022 in the amount of \$ 1.5 million primarily resulting from the release of a portion of our valuation allowance for deferred tax assets following the recording of a deferred income tax liability as part of our accounting for the acquisition of Omnivore. We maintain a full valuation allowance on our net federal and state deferred tax assets for both years ended December 31, 2023 and 2022, as we have concluded that it is more likely than not that the deferred tax assets will not be realized.

As of December 31, 2023 and 2022, we had approximately \$ 287.3 million and \$ 243.2 million of federal net operating losses, respectively. Approximately \$ 20.7 million of the federal net operating losses will expire at various dates beginning in 2032 through 2037 if not utilized, while the remaining amount will have an indefinite life.

As of December 31, 2023 and 2022, we had approximately \$ 211.4 million and \$ 172.7 million of state net operating losses, respectively. Of the state net operating losses, some may follow the Tax Cut and Jobs Act and are indefinite-lived and most are definite-lived with various expiration dates beginning in 2025 through 2040. The federal research and development tax credits are approximately \$ 1.5 million for both December 31, 2023 and 2022. The federal research credits will begin to expire in 2036.

Utilization of the net operating loss carryforwards and credits may be subject to a substantial annual limitation due to ownership changes that may have occurred previously or that could occur in the future, as provided by Section 382 of the Internal Revenue Code of 1986, as well as similar state provisions. Such annual limitation could result in the expiration of net operating losses and credits before their utilization.

We file U.S. federal and state income tax returns with varying statutes of limitations. All tax years since inception remain open to examination due to the carryover of unused net operating losses and tax credits.

We recognize interest and penalties accrued related to unrecognized tax benefits as a component of tax expense. We had no t accrued any interest or penalties related to unrecognized tax benefits as of December 31, 2023, 2022, and 2021. The unrecognized tax benefits at December 31, 2023 and 2022 are not material.

**16. Commitments and Contingencies*****Legal Proceedings***

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.

As previously disclosed in the final prospectus for our IPO filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) on March 18, 2021, on or about October 21, 2020, DoorDash, Inc., or DoorDash, filed a lawsuit against us in New York State Supreme Court, New York County, in a dispute over fees charged to DoorDash. On April 22, 2021, we entered into a definitive settlement agreement with DoorDash. Pursuant to the settlement, we and DoorDash agreed to a dismissal of this case in full without any amounts payable by us to DoorDash in connection with the settlement. Additionally, the parties exchanged releases. On April 22, 2021, we entered into a Restated Delivery Network Agreement, or the Restated Agreement, with DoorDash, which replaced and superseded the Delivery Network Agreement and Rails Network Addendum, dated March 30, 2017, as previously amended on November 15, 2017 and November 12, 2020, between us and DoorDash. Under the terms of the Restated Agreement, we agreed to issue DoorDash a letter of credit in the amount of \$ 25.0 million to guarantee any future unpaid and amounts owed to DoorDash under the Restated Agreement, principally related to our Dispatch module where our restaurant customers are the merchants of record and we collect funds from our restaurant customers. The letter of credit was issued on May 6, 2021. In the event that the letter of credit is drawn down by DoorDash pursuant to the terms of the Restated Agreement, we must increase the amount of such letter of credit up to a maximum of three times during the term so that the available, undrawn amount, remains in the amount of \$ 25.0 million.

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

## Notes to Consolidated Financial Statements

*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 preliminarily approved the settlement on February 20, 2024 and scheduled a final settlement hearing for June 10, 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, which is recorded in general and administrative expenses in the consolidated statement of operations. 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.

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) (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 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) (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'

# Notes to Consolidated Financial Statements

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) (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. We are unable to predict the outcome, or the reasonably possible loss or range of loss, if any, related to this matter.

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.

## 17. 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 loss per share is as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
<b>Numerator:</b>			
Net loss	\$ ( 58,287 )	\$ ( 45,968 )	\$ ( 42,273 )
Less: accretion of redeemable convertible preferred stock to redemption value	—	—	( 14 )
Less: undeclared 8 % non-cumulative dividend on participating securities	—	—	—
Net loss attributable to Class A and Class B common stockholders—basic	<u>\$ ( 58,287 )</u>	<u>\$ ( 45,968 )</u>	<u>\$ ( 42,287 )</u>
Accretion on redeemable preferred stock	—	—	14
Net loss attributable to Class A and Class B common stockholders—diluted	<u>\$ ( 58,287 )</u>	<u>\$ ( 45,968 )</u>	<u>\$ ( 42,273 )</u>
<b>Denominator:</b>			
Weighted-average Class A and Class B common shares outstanding—basic and diluted	162,993,686	161,303,397	123,822,838
Net loss per share attributable to Class A and Class B common stockholders—basic and diluted	<u>\$ ( 0.36 )</u>	<u>\$ ( 0.28 )</u>	<u>\$ ( 0.34 )</u>

**OLO INC.**

**Notes to Consolidated Financial Statements**

The following securities 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):

	Year Ended December 31,		
	2023	2022	2021
Outstanding stock options	21,797,792	29,859,096	36,716,816
Outstanding RSUs and PSUs	9,940,581	4,559,917	1,082,980
Outstanding shares estimated to be purchased under ESPP	263,601	284,705	129,015
Total	<b>32,001,974</b>	<b>34,703,718</b>	<b>37,928,811</b>

**18. Restructuring Charges**

On June 14, 2023, we announced a workforce reduction impacting approximately 11 % of our workforce 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 ("the Restructuring Plan").

We incurred charges of \$ 6.8 million in connection with the Restructuring Plan for the year ended December 31, 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 were recorded within the restructuring charges line item of the consolidated statement of operations.

The following table summarizes the restructuring liabilities, which are recorded within accrued expenses and other current liabilities on the consolidated balance sheets, as of December 31, 2023 (in thousands):

Balance at January 1, 2023	\$ —
Charges	6,848
Payments	( 6,848 )
Balance at December 31, 2023	<u>\$ —</u>

The actions associated with the Restructuring Plan were fully completed during the year ended December 31, 2023 and we do not expect to incur any material additional charges under this plan.

**19. Related Party Transactions**

Two of our board members have ownership interests in companies to which we provide services, including our chief executive officer who serves on the board of directors of one of these companies and receives an annual cash retainer for service on such board. During the years ended December 31, 2023, 2022, and 2021, we generated approximately \$ 1.5 million, \$ 1.0 million, and \$ 1.1 million of revenue, respectively, from these customers. As of December 31, 2023 and 2022, the outstanding accounts receivable from the related parties was \$ 0.6 million and \$ 0.3 million, respectively.

## **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures**

As disclosed in our Current Report on Form 8-Ks filed on March 18, 2022 and March 29, 2022, we engaged Deloitte & Touche LLP, or Deloitte, as our new independent registered public accounting firm to audit our financial statements starting with the fiscal year ending December 31, 2022, and dismissed Ernst & Young LLP, or EY, as our independent registered accounting firm. The decision to change our independent registered accounting firm was approved by the Audit Committee of the Board.

During the fiscal years ended December 31, 2021 and December 31, 2020, and through the date of dismissal, there were no disagreements with EY on any matter of accounting principles or practices, financial statement disclosures, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of EY, would have caused it to make reference thereto in its reports on our financial statements for such years.

During the fiscal years ended December 31, 2021 and December 31, 2020, and through the dismissal date, there were no “reportable events” (as defined under Item 304(a)(1)(v) of Regulation S-K), except that, as previously disclosed, there was a material weakness for the fiscal years ended December 31, 2021 and December 31, 2020, which has been updated, as necessary, as of December 31, 2022, in our internal control over financial reporting in relation to the lack of sufficient qualified personnel who possessed an appropriate level of technical expertise and did not design and maintain effective controls over complex technical accounting matters. This reportable event was discussed among the Audit Committee and EY. EY has been authorized by us to respond fully to the inquiries of Deloitte, the successor independent registered public accounting firm, concerning this reportable event.

## **Item 9A. 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 Exchange Act), as of December 31, 2023. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2023, 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.

### ***Material Weakness in Internal Control over Financial Reporting***

We previously identified a material weakness in our internal control over financial reporting related to the lack of sufficient qualified personnel who possessed an appropriate level of technical expertise and did not design and maintain effective controls over complex technical accounting matters. This material weakness was previously reported in the Registration Statement on Form S-1 in connection with the initial public offering and reported in the Annual Report on Form 10-K for the fiscal year ended December 31, 2021. A material weakness is a deficiency or combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our consolidated financial statements would not be prevented or detected on a timely basis.

### ***Remediation of Previously Identified Material Weakness***

During 2022 and 2023, we completed the execution of our remediation plan to address the previously reported material weakness in internal control over financial reporting.

Specific remedial actions undertaken by management included, without limitation:

- Engaged external resources to assist with remediation efforts and internal control execution, as well as to provide additional training to existing personnel.
- Hired additional internal resources with appropriate knowledge and technical expertise to effectively operate financial close and reporting processes and controls over complex technical accounting matters.



- Enhanced the design of our existing controls over complex technical accounting matters

The applicable measures under our remediation plan have been implemented for a sufficient period of time. As a result, as of December 31, 2023, management concluded that we remediated the previously reported material weakness in the internal control over financial reporting by implementing controls that operated effectively for a reasonable period of time.

**Changes in Internal Control Over Financial Reporting**

Except as otherwise described herein, 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 December 31, 2023 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Management's Report on Internal Control Over Financial Reporting**

Our management is responsible for establishing and maintaining adequate "internal control over financial reporting," as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Our management conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2023 based on the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result, our management has concluded that our internal control over financial reporting was effective at December 31, 2023.

**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.

**Auditor Report**

The public accounting firm that audited the financial statements included in this Annual Report on Form 10-K has issued an attestation report on the registrant's internal control over financial reporting.

**Item 9B. Other Information**

**Rule 10b5-1 Trading Plans**

During the three months ended December 31, 2023, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or 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 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

**PART III**

**Item 10. *Directors, Executive Officers, and Corporate Governance***

The information required by this item, including information about our Directors, Executive Officers, Audit Committee, and Code of Conduct, will be included in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2023, and is incorporated herein by reference.

**Item 11. *Executive Compensation***

The information required by this item will be included in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2023, and is incorporated herein by reference.

**Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters***

The information required by this item will be included in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2023, and is incorporated herein by reference.

**Item 13. *Certain Relationships and Related Transactions, and Director Independence***

The information required by this item will be included in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2023, and is incorporated herein by reference.

**Item 14. *Principal Accounting Fees and Services***

The information required by this item will be included in our definitive Proxy Statement for our 2024 Annual Meeting of Stockholders to be filed with the SEC, within 120 days of the fiscal year ended December 31, 2023, and is incorporated herein by reference.

## PART IV

### Item 15. Exhibits and Financial Statement Schedules

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

#### EXHIBIT INDEX

Exhibit Number	Description	Filing Date
<a href="#"><u>3.1</u></a>	<a href="#"><u>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).</u></a>	March 22, 2021
<a href="#"><u>3.2</u></a>	<a href="#"><u>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).</u></a>	March 22, 2021
<a href="#"><u>4.1</u></a>	<a href="#"><u>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).</u></a>	March 8, 2021
<a href="#"><u>4.2</u></a>	<a href="#"><u>Amended and Restated Investors' Rights Agreement, dated as of April 28, 2020, as amended (incorporated by reference to Exhibit 10.1 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>4.3</u></a>	<a href="#"><u>Description of Capital Stock (incorporated by reference to Exhibit 4.3 to the Registrant's Annual Report on Form 10-K (File No. 001-40213) filed on February 25, 2022).</u></a>	February 25, 2022
<a href="#"><u>10.1+</u></a>	<a href="#"><u>Amended and Restated Non-Employee Director Compensation Policy, dated November 1, 2023.</u></a>	Filed herewith
<a href="#"><u>10.2</u></a>	<a href="#"><u>Amended and Restated Loan and Security Agreement, by and between Registrant and Pacific Western Bank, dated February 11, 2020 (incorporated by reference to Exhibit 10.2 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.3</u></a>	<a href="#"><u>Agreement of Lease, dated March 14, 2014, as amended (incorporated by reference to Exhibit 10.3 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.4</u></a>	<a href="#"><u>Lease Agreement between WTC Tower 1 LLC and the Registrant, dated as of June 11, 2019 (incorporated by reference to Exhibit 10.4 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.5+</u></a>	<a href="#"><u>2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.5 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.6+</u></a>	<a href="#"><u>2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.6 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.7+</u></a>	<a href="#"><u>2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.7 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 15, 2021).</u></a>	March 15, 2021
<a href="#"><u>10.8+</u></a>	<a href="#"><u>Forms of Stock Option Grant Notice, Stock Option Agreement, and Notice of Exercise under the 2005 Equity Incentive Plan (incorporated by reference to Exhibit 10.8 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.9+</u></a>	<a href="#"><u>Forms of Stock Option Grant Notice, Stock Option Agreement, Notice of Exercise, Stock Appreciation Right Grant Notice and Stock Appreciation Right Agreement under the 2015 Equity Incentive Plan (incorporated by reference to Exhibit 10.9 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.10† +</u></a>	<a href="#"><u>Forms of Stock Option Grant Notice, Stock Option Agreement, and Notice of Exercise under the 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.10 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 8, 2021).</u></a>	March 8, 2021
<a href="#"><u>10.11† +</u></a>	<a href="#"><u>Forms of Restricted Stock Unit Grant Notice and Award Agreement under the 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.11 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 8, 2021).</u></a>	March 8, 2021
<a href="#"><u>10.12+</u></a>	<a href="#"><u>Forms of Indemnity Agreement entered into by and between Registrant and each director and executive officer (incorporated by reference to Exhibit 10.12 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 8, 2021).</u></a>	March 8, 2021

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<a href="#"><u>10.13+</u></a>	<a href="#"><u>Amended and Restated Employment Agreement, by and between Registrant and Noah Glass, dated January 1, 2021 (incorporated by reference to Exhibit 10.13 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.14+</u></a>	<a href="#"><u>Amended and Restated Employment Agreement, by and between Registrant and Nithya B. Das, dated January 1, 2021 (incorporated by reference to Exhibit 10.14 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.15+</u></a>	<a href="#"><u>Amended and Restated Employment Agreement, by and between Registrant and Marty Hahnfeld, dated January 1, 2021 (incorporated by reference to Exhibit 10.15 to the Registrant's Form S-1 (File No. 333-253314) filed on February 19, 2021).</u></a>	February 19, 2021
<a href="#"><u>10.16+</u></a>	<a href="#"><u>2021 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.17 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 15, 2021).</u></a>	March 15, 2021
<a href="#"><u>10.17+</u></a>	<a href="#"><u>Executive Bonus Policy (incorporated by reference to Exhibit 10.18 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 15, 2021).</u></a>	March 15, 2021
<a href="#"><u>10.18† #</u></a>	<a href="#"><u>Delivery Network Agreement, dated March 30, 2017, by and between the Registrant and DoorDash, Inc., as amended (incorporated by reference to Exhibit 10.19 to the Registrant's Form S-1/A (File No. 333-253314) filed on March 15, 2021).</u></a>	March 15, 2021
<a href="#"><u>10.19† #</u></a>	<a href="#"><u>Restated Delivery Network Agreement, dated April 22, 2021, by and between the Registrant and DoorDash, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 10, 2021).</u></a>	August 10, 2021
<a href="#"><u>10.20</u></a>	<a href="#"><u>First Amendment to Amended and Restated Loan and Security Agreement, by and between Registrant and Pacific Western Bank, dated April 29, 2021 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 10, 2021).</u></a>	August 10, 2021
<a href="#"><u>10.21#</u></a>	<a href="#"><u>Standby Letter of Credit, by and among the Registrant, Pacific Western Bank and DoorDash Inc., as beneficiary, dated May 6, 2021 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 10, 2021).</u></a>	August 10, 2021
<a href="#"><u>10.22</u></a>	<a href="#"><u>Second Amendment to Amended and Restated Loan and Security Agreement, by and between Olo Inc. and Pacific Western Bank, dated August 13, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on November 9, 2021).</u></a>	November 9, 2021
<a href="#"><u>10.23</u></a>	<a href="#"><u>Third Amendment and Joinder to Amended and Restated Loan and Security Agreement, by and between Registrant, Wisely, LLC, and Pacific Western Bank, dated December 9, 2021 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-K (File No. 001-40213) filed on February 25, 2022).</u></a>	February 25, 2022
<a href="#"><u>10.24+</u></a>	<a href="#"><u>Amended and Restated Employment Agreement, by and between Registrant and Peter Benevides, dated January 1, 2021 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on May 10, 2022).</u></a>	May 10, 2022
<a href="#"><u>10.25</u></a>	<a href="#"><u>Fourth Amendment to Amended and Restated Loan and Security Agreement, by and between Registrant, Wisely, LLC, and Pacific Western Bank, dated January 13, 2022 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q (File No. 001-40213) filed on May 10, 2022).</u></a>	May 10, 2022
<a href="#"><u>10.26</u></a>	<a href="#"><u>Fifth Amendment to Amended and Restated Loan and Security Agreement, by and between Registrant, Wisely, LLC, and Pacific Western Bank, dated March 3, 2022 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q (File No. 001-40213) filed on May 10, 2022).</u></a>	May 10, 2022
<a href="#"><u>10.27†</u></a>	<a href="#"><u>Second Amended and Restated Loan and Security Agreement, by and between Registrant, Wisely, LLC, Omnivore Technologies, Inc., and Pacific Western Bank, dated June 10, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 8-K (File No. 001-40213) filed on June 15, 2022).</u></a>	June 15, 2022
<a href="#"><u>10.28+</u></a>	<a href="#"><u>Separation Agreement and Release, by and between Registrant and Marty Hahnfeld, dated May 9, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 11, 2022).</u></a>	August 11, 2022
<a href="#"><u>10.29+</u></a>	<a href="#"><u>Advisor Agreement, by and between Registrant and Marty Hahnfeld, dated May 9, 2022 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 11, 2022).</u></a>	August 11, 2022
<a href="#"><u>10.30+</u></a>	<a href="#"><u>Employment Agreement, by and between Registrant and Diego Panama, dated April 26, 2022 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 11, 2022).</u></a>	August 11, 2022
<a href="#"><u>10.31</u></a>	<a href="#"><u>Sixth Amendment to Amended and Restated Loan and Security Agreement, by and between Registrant, Wisely, LLC, and Pacific Western Bank, dated May 9, 2022 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 11, 2022).</u></a>	August 11, 2022



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<a href="#"><u>10.32#</u></a>	<a href="#"><u>First Amendment to the Restated Delivery Network Agreement, by and between Registrant and DoorDash, Inc., dated July 30, 2021 (incorporated by reference to Exhibit 10.5 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 11, 2022).</u></a>	August 11, 2022
<a href="#"><u>10.33#</u></a>	<a href="#"><u>Second Amendment to the Restated Delivery Network Agreement, by and between Registrant and DoorDash, Inc., dated April 4, 2022 (incorporated by reference to Exhibit 10.6 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 11, 2022).</u></a>	August 11, 2022
<a href="#"><u>10.34+</u></a>	<a href="#"><u>Separation Agreement and Release, by and between the Registrant and Nithya B. Das, dated January 17, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on May 9, 2023).</u></a>	May 9, 2023
<a href="#"><u>10.35+†</u></a>	<a href="#"><u>Forms of Performance-Based Restricted Stock Unit Grant Notice and Award Agreement under the 2021 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q (File No. 001-40213) filed on May 9, 2023).</u></a>	May 9, 2023
<a href="#"><u>10.36+</u></a>	<a href="#"><u>Employment Agreement, by and between Registrant and Robert Morvillo, dated April 3, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 1, 2023).</u></a>	August 1, 2023
<a href="#"><u>10.37#</u></a>	<a href="#"><u>First Amendment to Second Amended and Restated Loan and Security Agreement, by and between Registrant, Wisely, LLC, Omnivore Technologies, Inc., and Pacific Western Bank, dated April 18, 2023 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 1, 2023).</u></a>	August 1, 2023
<a href="#"><u>10.38+</u></a>	<a href="#"><u>Employment Agreement, by and between Registrant and Joanna Lambert, dated May 23, 2023 (incorporated by reference to Exhibit 10.3 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 1, 2023).</u></a>	August 1, 2023
<a href="#"><u>10.39+</u></a>	<a href="#"><u>Employment Agreement, by and between Registrant and Sherri Manning, dated June 20, 2023 (incorporated by reference to Exhibit 10.4 to the Registrant's Form 10-Q (File No. 001-40213) filed on August 1, 2023).</u></a>	August 1, 2023
<a href="#"><u>10.40#</u></a>	<a href="#"><u>DoorDash Data License Addendum, by and between the Registrant and DoorDash, Inc., dated August 3, 2023 (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-40213) filed on November 6, 2023).</u></a>	November 6, 2023
<a href="#"><u>16.1</u></a>	<a href="#"><u>Letter from Ernst &amp; Young LLP dated March 18, 2022 to the Securities and Exchange Commission (incorporated by reference to Exhibit 16.1 to the Registrant's Form 8-K (File No. 001-40213) filed on March 18, 2022).</u></a>	March 18, 2022
<a href="#"><u>21.1</u></a>	<a href="#"><u>List of subsidiaries of the registrant.</u></a>	Filed herewith
<a href="#"><u>23.1</u></a>	<a href="#"><u>Consent of Deloitte &amp; Touche LLP, independent registered public accounting firm.</u></a>	Filed herewith
<a href="#"><u>23.2</u></a>	<a href="#"><u>Consent of Ernst &amp; Young LLP, independent registered public accounting firm.</u></a>	Filed herewith
<a href="#"><u>24.1</u></a>	<a href="#"><u>Power of Attorney (included in signature pages hereto).</u></a>	
<a href="#"><u>31.1</u></a>	<a href="#"><u>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.</u></a>	Filed herewith
<a href="#"><u>31.2</u></a>	<a href="#"><u>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.</u></a>	Filed herewith
<a href="#"><u>32.1*</u></a>	<a href="#"><u>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.</u></a>	Furnished herewith
<a href="#"><u>97</u></a>	<a href="#"><u>Compensation Recovery Policy, dated November 27, 2023.</u></a>	Filed herewith
101.INS	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 Exhibit 101).
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- + Indicates management contract or compensatory plan.
- \* The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K 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.
- # Portions of this exhibit (indicated by asterisks) have been omitted because the registrant has determined they are not material and is the type of information that the registrant treats as private or confidential.
- † Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The registrant hereby undertakes to furnish supplementally a copy of any omitted exhibit or schedule upon request by the SEC.

**Item 16. Form 10-K Summary**

Not applicable.

#### **SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Olo Inc.**

/s/ Noah H. Glass

Noah H. Glass

*Chief Executive Officer (Principal Executive Officer)*

February 21, 2024

#### **POWER OF ATTORNEY**

Each person whose individual signature appears below hereby authorizes and appoints Noah H. Glass and Peter Benevides, and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.



February 21, 2024	<u>/s/ Noah H. Glass</u>
	Noah H. Glass
	<i>Chief Executive Officer (Principal Executive Officer); Director</i>
February 21, 2024	<u>/s/ Peter Benevides</u>
	Peter Benevides
	<i>Chief Financial Officer (Principal Accounting and Financial Officer)</i>
February 21, 2024	<u>/s/ David Cancel</u>
	David Cancel
	<i>Director</i>
February 21, 2024	<u>/s/ Brandon Gardner</u>
	Brandon Gardner
	<i>Director</i>
February 21, 2024	<u>/s/ David Frankel</u>
	David Frankel
	<i>Director</i>
February 21, 2024	<u>/s/ Lee Kirkpatrick</u>
	Lee Kirkpatrick
	<i>Director</i>
February 21, 2024	<u>/s/ Daniel Meyer</u>
	Daniel Meyer
	<i>Director</i>
February 21, 2024	<u>/s/ Colin Neville</u>
	Colin Neville
	<i>Director</i>
February 21, 2024	<u>/s/ Linda Rottenberg</u>
	Linda Rottenberg
	<i>Director</i>
February 21, 2024	<u>/s/ Zuhairah Washington</u>
	Zuhairah Washington
	<i>Director</i>

## OLO INC.

## AMENDED AND RESTATED NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

*Approved by the Compensation Committee on November 1, 2023*

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: \$30,000
- Chair or Lead Non-Employee Director (as applicable): \$45,000 (in lieu of above)

### Annual Committee Member Service Retainer:

- Member of the Audit Committee: \$10,000
- Member of the Compensation Committee: \$6,000
- 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: \$12,000
- 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 General Counsel 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 General Counsel 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) \$300,000 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) \$165,000 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) \$165,000 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.

LIST OF OLO INC. SUBSIDIARIES

Name of Subsidiary	Jurisdiction of Incorporation
Omnivore Technologies, Inc.	Delaware
Wisely, LLC	Delaware

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement Nos. 333-264077 and 333-264074 on Form S-3 and Registration Statement Nos. 333-254375, 333-254377, 333-263055 and 333-270015 on Form S-8 of our reports dated February 21, 2024, relating to the financial statements of Olo Inc., and the effectiveness of Olo Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ Deloitte & Touche LLP

New York, New York  
February 21, 2024

**Consent of Independent Registered Public Accounting Firm**

We consent to the incorporation by reference in the following Registration Statements:

- (1) Registration Statement (Form S-3 No. 333-264077);
- (2) Registration Statement (Form S-3 No. 333-264074);
- (3) Registration Statement (Form S-8 No. 333-254375);
- (4) Registration Statement (Form S-8 No. 333-254377);
- (5) Registration Statement (Form S-8 No. 333-263055); and
- (6) Registration Statement (Form S-8 No. 333-270015) of Olo Inc. pertaining to the Olo Inc. 2015 Equity Incentive Plan, Olo Inc. 2021 Equity Incentive Plan, and the Olo Inc. 2021 Employee Stock Purchase Plan;

of our report dated February 25, 2022, with respect to the consolidated financial statements of Olo Inc., included in this Annual Report (Form 10-K) for the year ended December 31, 2023.

/s/ Ernst & Young LLP

New York, New York  
February 21, 2024

**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 H. Glass, certify that:

1. I have reviewed this Annual Report on Form 10-K 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: February 21, 2024

By: /s/ Noah H. Glass

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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 Annual Report on Form 10-K 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: February 21, 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 Annual Report on Form 10-K for the fiscal year ended December 31, 2023, 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: February 21, 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 Annual Report on Form 10-K 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-K), irrespective of any general incorporation language contained in such filing.

## OLO INC.

## COMPENSATION RECOVERY POLICY

*Approved by the Compensation Committee on November 27, 2023*

Olo Inc., a Delaware corporation (the “**Company**”), has adopted a Compensation Recovery Policy (this “**Policy**”) as described below.

**1. Overview**

The Policy sets forth the circumstances and procedures under which the Company shall recover Erroneously Awarded Compensation from Covered Persons (as defined below) in accordance with rules issued by the United States Securities and Exchange Commission (the “**SEC**”) under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the New York Stock Exchange. Capitalized terms used and not otherwise defined herein shall have the meanings given in Section 3 below.

**2. Compensation Recovery Requirement**

In the event the Company is required to prepare a Financial Restatement, the Company shall recover reasonably promptly all Erroneously Awarded Compensation with respect to such Financial Restatement.

**3. Definitions**

- a. “**Applicable Recovery Period**” means the three completed fiscal years immediately preceding the Restatement Date for a Financial Restatement. In addition, in the event the Company has changed its fiscal year: (i) any transition period of less than nine months occurring within or immediately following such three completed fiscal years shall also be part of such Applicable Recovery Period and (ii) any transition period of nine to 12 months will be deemed to be a completed fiscal year.
- b. “**Applicable Rules**” means any rules or regulations adopted by the Exchange pursuant to Rule 10D-1 under the Exchange Act and any applicable rules or regulations adopted by the SEC pursuant to Section 10D of the Exchange Act.
- c. “**Board**” means the Board of Directors of the Company.
- d. “**Committee**” means the Compensation Committee of the Board.
- e. “**Covered Person**” means any Executive Officer and any other person designated by the Board or the Committee as being subject to this Policy. A person’s status as a Covered Person with respect to Erroneously Awarded Compensation shall be determined as of the time of receipt of such Erroneously Awarded Compensation regardless of the person’s current role or status with the Company (e.g., if a person began service as an Executive Officer after the beginning of an Applicable Recovery Period, that person would not be considered a Covered Person with respect to Erroneously Awarded Compensation received before the person began service as an Executive Officer, but would be considered a Covered Person with respect to Erroneously Awarded Compensation received after the person began service as an

Executive Officer where such person served as an Executive Officer at any time during the performance period for such Erroneously Awarded Compensation).

- f. “**Effective Date**” means October 1, 2023.
- g. “**Erroneously Awarded Compensation**” means the amount of any Incentive-Based Compensation received by a Covered Person on or after the Effective Date and during the Applicable Recovery Period that exceeds the amount that otherwise would have been received by the Covered Person had such compensation been determined based on the restated amounts in a Financial Restatement, computed without regard to any taxes paid. Calculation of Erroneously Awarded Compensation with respect to Incentive-Based Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Financial Restatement, shall be based on a reasonable estimate of the effect of the Financial Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was received, and the Company shall maintain documentation of the determination of such reasonable estimate and provide such documentation to the Exchange in accordance with the Applicable Rules. Incentive-Based Compensation is deemed received, earned, or vested when the Financial Reporting Measure is attained, not when the actual payment, grant, or vesting occurs.
- h. “**Exchange**” means the New York Stock Exchange.
- i. An “**Executive Officer**” means any “officer” of the Company under Section 16 of the Exchange Act who served the Company at any time during the performance period applicable to Incentive-Based Compensation and received Incentive-Based Compensation after beginning service (regardless of whether such Incentive-Based Compensation was received during or after such person’s service).
- j. “**Financial Reporting Measures**” mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, any measures that are derived wholly or in part from such measures (including, for example, a non-GAAP financial measure), and stock price and total shareholder return.
- k. “**Incentive-Based Compensation**” means any compensation provided, directly or indirectly, by the Company or any of its subsidiaries that is granted, earned, or vested based, in whole or in part, upon the attainment of a Financial Reporting Measure.
- l. A “**Financial Restatement**” means a restatement of previously issued financial statements of the Company due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required restatement to correct an error in previously-issued financial statements that is material to the previously-issued financial statements or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- m. “**Restatement Date**” means, with respect to a Financial Restatement, the earlier to occur of: (i) the date the Board or the Audit Committee of the Board concludes, or reasonably should have concluded, that the Company is required to prepare the Financial Restatement or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare the Financial Restatement.

#### **4. Exception to Compensation Recovery Requirement**

The Company may elect not to recover Erroneously Awarded Compensation pursuant to this Policy if the Committee determines that recovery would be impracticable, and one or more of the following conditions, together with any further requirements set forth in the Applicable Rules, are met: (i) the direct expense paid to a third party, including outside legal counsel, to assist in enforcing this Policy would exceed the amount to be recovered, and the Company has made a reasonable attempt to recover such Erroneously Awarded Compensation; or (ii) recovery would likely cause an otherwise tax-qualified retirement plan to fail to be so qualified under applicable regulations.

#### **5. Recovery from Participating Employees.**

In addition to (and without limiting) the provisions of paragraph 2 above, in the event the Company is required to prepare a Financial Restatement after the Effective Date, the Company may recover from any current or former employee of the Company who is not a Covered Person (each a ***“Participating Employee”***) and who received Incentive-Based Compensation from the Company during the three completed fiscal years immediately preceding the Restatement Date, the amount that exceeds what would have been paid to the Participating Employee under the Financial Restatement; provided that, this paragraph 5 will apply only to the extent the Board (or a duly established committee thereof), in its sole discretion, determines that the Participating Employee committed any act or omission that materially contributed to the circumstances requiring the Financial Restatement and such act or omission involved any of the following: (i) misconduct, wrongdoing or a violation of any of the Company's rules or of any applicable legal or regulatory requirements in the course of the Participating Employee's employment by the Company; or (ii) a breach of a fiduciary duty to the Company or its stockholders by the Participating Employee.

#### **6. Recovery Where Intentional Misconduct.**

In addition to (and without limiting) the provisions of paragraph 2 and 5 above, in the event the Company is required to prepare a Financial Restatement after the Effective Date and the Board (or a duly established committee thereof), in its sole discretion, determines that a Covered Person's or a Participating Employee's act or omission contributed to the circumstances requiring the Financial Restatement and such act or omission involved any of the following: (i) willful, knowing or intentional misconduct or a willful, knowing or intentional violation of any of the Company's rules or any applicable legal or regulatory requirements in the course of the Covered Person's or the Participating Employee's employment by the Company or (ii) fraud in the course of the Covered Person's or the Participating Employee's employment by the Company, the Company may recover from such Covered Person or Participating Employee up to 100% (as determined by the Board or a duly established committee thereof in its sole discretion) of the Incentive-Based Compensation received by such Covered Person or Participating Employee from the Company during the three completed fiscal years immediately preceding the Restatement Date.

#### **7. Tax Considerations**

To the extent that, pursuant to this Policy, the Company is entitled to recover any Erroneously Awarded Compensation that is received by a Covered Person, the gross amount received (i.e., the amount the Covered Person received, or was entitled to receive, before any deductions for tax withholding or other payments) shall be returned by the Covered Person.

#### **8. Method of Compensation Recovery**

The Committee shall determine, in its sole discretion, the method for recovering Erroneously Awarded Compensation hereunder, which may include, without limitation, any one or more of the following:

- a. requiring reimbursement of cash Incentive-Based Compensation previously paid;
- b. seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- c. cancelling or rescinding some or all outstanding vested or unvested equity-based awards;
- d. adjusting or withholding from unpaid compensation or other set-off;
- e. cancelling or offsetting against planned future grants of equity-based awards; and/or
- f. any other method permitted by applicable law or contract.

Notwithstanding the foregoing, a Covered Person will be deemed to have satisfied such person's obligation to return Erroneously Awarded Compensation to the Company if such Erroneously Awarded Compensation is returned in the exact same form in which it was received; provided that equity withheld to satisfy tax obligations will be deemed to have been received in cash in an amount equal to the tax withholding payment made.

## **9. Policy Interpretation**

This Policy shall be interpreted in a manner that is consistent with the Applicable Rules and any other applicable law. The Committee shall take into consideration any applicable interpretations and guidance of the SEC in interpreting this Policy, including, for example, in determining whether a financial restatement qualifies as a Financial Restatement hereunder. To the extent the Applicable Rules require recovery of Incentive-Based Compensation in additional circumstances besides those specified above, nothing in this Policy shall be deemed to limit or restrict the right or obligation of the Company to recover Incentive-Based Compensation to the fullest extent required by the Applicable Rules.

## **10. Policy Administration**

This Policy shall be administered by the Committee. The Committee shall have such powers and authorities related to the administration of this Policy as are consistent with the governing documents of the Company and applicable law. The Committee shall have full power and authority to take, or direct the taking of, all actions and to make all determinations required or provided for under this Policy and shall have full power and authority to take, or direct the taking of, all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of this Policy that the Committee deems to be necessary or appropriate to the administration of this Policy. The interpretation and construction by the Committee of any provision of this Policy and all determinations made by the Committee under this policy shall be final, binding, and conclusive.

## **11. Compensation Recovery Repayments not Subject to Indemnification**



Notwithstanding anything to the contrary set forth in any agreement with, or the organizational documents of, the Company or any of its subsidiaries, Covered Persons are not entitled to indemnification for Erroneously Awarded Compensation or for any losses arising out of or in any way related to Erroneously Awarded Compensation recovered under this Policy.