hims & hers

2023 Annual Report

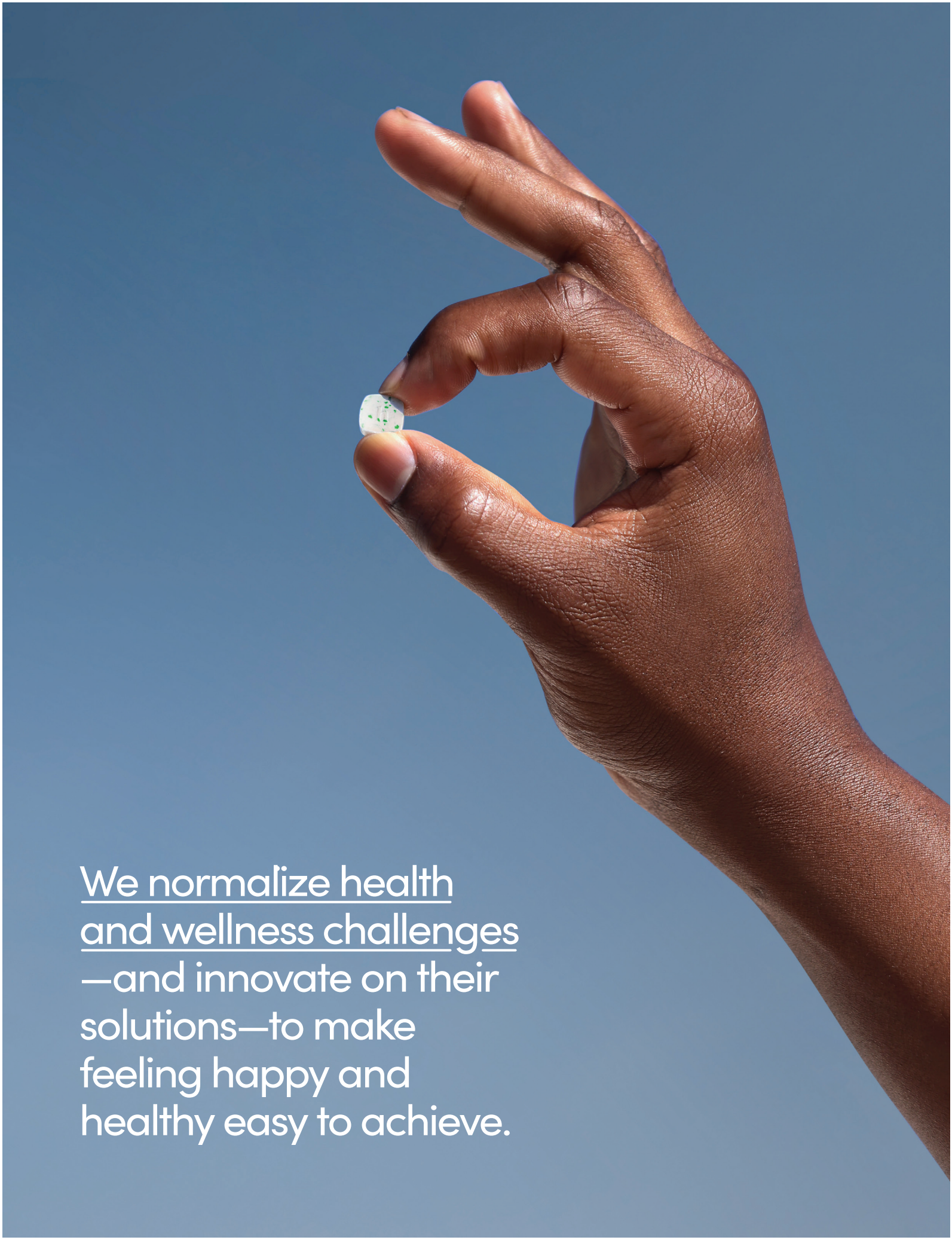
2023 Annual Report

hims & hers

We're on a mission to

help the world feel great through the power of better health.


We believe how you feel in your body and mind transforms how you show up in life. That's why we're building a future where nothing stands in the way of harnessing this power.


We normalize health
and wellness challenges
—and innovate on their
solutions—to make
feeling happy and
healthy easy to achieve.

No two people are the same, so we provide access to personalized care designed for results.

At our core, our mission is deeply personal —because we too are customers. This is the enduring power of Hims & Hers.


hims

10-K Financial Report

hims & hers

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

OR

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

For the transition period from _____ to _____

HIMS & HERS HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware	001-38986	98-1482650
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	**(I.R.S. Employer Identification No.)**

2269 Chestnut Street, #523 **San Francisco** **California**	**94123**
(Address of principal executive office)	(ZIP Code)

(415) 851-0195

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, $0.0001 par value per share	HIMS	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 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 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

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. ☒

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 ☒

The aggregate market value of voting stock held by non-affiliates of the registrant, as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was approximately $1.8 billion (based on the last reported sale price of the registrant's Class A common stock of $9.40 per share on June 30, 2023 on the New York Stock Exchange), excluding only shares of Class A common stock held by executive officers and directors of the registrant as of such date. The registrant has no non-voting stock outstanding.

As of February 23, 2024, 205,872,690 shares of Class A common stock, par value $0.0001, and 8,377,623 shares of Class V common stock, par value $0.0001, were issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be delivered to stockholders in connection with the 2024 annual meeting of stockholders are incorporated by reference in response to Part III of this Annual Report on Form 10-K to the extent stated herein. The 2024 Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the year ended December 31, 2023 (the "Form 10-K"), including, without limitation, statements under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations," includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"). These forward-looking statements can be identified by the use of forward-looking terminology, including the words "believe," "estimate," "anticipate," "expect," "assume", "imply", "intend," "plan," "may," "will," "potential," "project," "predict," "continue," "could," or "should," or, in each case, their negative or other variations or comparable terminology. There can be no assurance that actual results will not materially differ from expectations. Such statements include, but are not limited to, any statements relating to our financial and business performance, including with respect to the Hims & Hers platform, our marketing campaigns, investments in innovation, and our infrastructure, and the underlying assumptions with respect to the foregoing; statements relating to events and trends relevant to us, including with respect to our financial condition, results of operations, short- and long-term business operations, objectives, and financial needs; expectations regarding our mobile applications, market acceptance, user experience, customer retention, brand development, our ability to invest and generate a return on any such investment, customer acquisition costs, operating efficiencies and leverage (including our fulfillment capabilities), the effect of any pricing decisions, changes in our product and offering mix, the timing and market acceptance of any new products or offerings, the success of our business model, our market opportunity, our ability to scale our business, the growth of certain of our specialties, our ability to innovate on and expand the scope of our offerings and experiences, our ability to reinvest into the customer experience, and our ability to comply with the extensive, complex, and evolving regulatory requirements applicable to our business, including without limitation state and federal healthcare, privacy and consumer protection laws and regulations. These statements are based on management's current expectations, but actual results may differ materially due to various factors.

The forward-looking statements contained in this Form 10-K are based on our current expectations and beliefs concerning future developments and their potential effects on us. Future developments affecting us may not be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control), and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described under Part I, Item 1A: "Risk Factors." Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. We undertake no obligation (and expressly disclaim any obligation) to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. These risks and others described under Part I, Item 1A: "Risk Factors" may not be exhaustive.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity, and developments in the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this Form 10-K. In addition, even if our results of operations, financial condition and liquidity, and developments in the industry in which we operate are consistent with the forward-looking statements contained in this Form 10-K, those results or developments may not be indicative of results or developments in subsequent periods.

PART I

Item 1. Business

Overview

Launched in 2017, Hims & Hers Health, Inc. (and together with its subsidiaries, "Hims & Hers", the "Company", "we", "us" or "our") has built a consumer-first platform transforming the way customers fulfill their health and wellness needs. We believe that the Company has the technical platform, distributed provider network, and access to clinical capabilities to lead the migration of routine office visits to a digital format. The Hims & Hers platform includes access to a highly-qualified and technologically-capable provider network, a clinically-focused electronic medical record system, digital prescriptions, and cloud pharmacy fulfillment. Our digital platform enables access to treatments for a broad range of conditions, including those related to sexual health, hair loss, dermatology, mental health, and weight loss. Hims & Hers connects patients to licensed healthcare professionals who can prescribe medications when appropriate. Prescriptions are fulfilled online through licensed pharmacies on a subscription basis. In addition, we also offer access to a range of health and wellness products designed to meet individual needs, which can include curated prescription and non-prescription products. Through the Hims & Hers mobile apps, consumers can access a range of educational programs, wellness content, community support, and other services that promote lifelong health and wellness. Since our founding, we have facilitated nearly twenty million telehealth consultations, enabling greater access to high-quality, convenient, and affordable care for people in all 50 states and the United Kingdom. Hims & Hers products can also be found in tens of thousands of top retail locations in the United States.

The mission of Hims & Hers is to help the world feel great through the power of better health.

To fulfill this mission, our business strategy and market differentiation are centered around our trusted brand, leading technology, innovative products and services and clinical excellence.

- We work to build a brand that is trusted by our customers, easy-to-use, and normalizes the practice of seeking and receiving treatment by empowering our customers with personalized care and an omnichannel experience.
- The Hims & Hers platform offers a streamlined patient and clinician experience facilitated by proprietary algorithms and a customizable and integrated technology stack, allowing us to give customers a seamless experience and to follow up programmatically and with precision.
- We can leverage these insights and feedback to offer access to personalized prescription and non-prescription treatments that are designed to meet individual needs.
- At the foundation of our broader platform is the consumer trust we establish through our clinical excellence. Care accessed through the Hims & Hers platform is subject to evidence-based clinical guidelines and delivered by highly-trained healthcare providers to ensure consistency and quality. Our medical advisory board helps ensure the utmost quality of care on our platform. With these measures in place, we are able to deliver access to quality care and treatment that is fast and convenient.

Business Strategy

We are a consumer-first health and wellness platform focused on providing modern personalized health and wellness solutions to consumers. We offer access to a range of health and wellness products and services available for customers to purchase through our websites and mobile applications. The offerings generally focus on conditions where treatment typically involves use of prescription medication on a recurring basis and ongoing care from healthcare providers. We also offer over-the-counter drug and device products and cosmetics and supplement products, which are primarily focused on general wellness, skincare, sexual health and wellness, and hair care. These curated non-prescription products include melatonin, and biotin in the wellness specialty, moisturizer, creams, sunscreen, serum, face oil, and face wash in the skincare specialty, condoms, climax delay spray and wipes, vibrators, and lubricants in the sexual health and wellness specialty, and shampoos, conditioners, scalp scrubs, and topical treatments such as minoxidil in the hair care specialty. We also offer many of these over-the-counter products through retail partnerships, in stores and online. The over-the-counter drug and device products and some of the cosmetics and supplement products we sell are "white-labeled" products, where we sell the manufacturer-developed product under the Hims & Hers brand name or co-branded along with the manufacturer's brand. Several cosmetics and supplement products have been developed by us in partnership with the applicable manufacturers. For these products, the manufacturer develops the formulation with input from the internal Hims & Hers Product Research & Development team. In all cases, the manufacturer is responsible for obtaining and maintaining authorization from the U.S. Food and Drug Administration ("FDA"), if required, and complying with current Good Manufacturing Processes (cGMP) as adopted and enforced by the FDA. In addition, the internal

Hims & Hers Quality team is responsible for maintaining policies and procedures to ensure non-prescription products comply with quality standards, which include independent laboratory testing of products, supplier and quality and compliance assessments.

Most of the offerings on our websites and mobile applications are sold to customers on a subscription basis. Subscription plans provide an easy and convenient way for customers to get the ongoing treatment they need while simultaneously providing the Company with predictability through a recurring revenue stream.

For subscription plans, customers select a desired cadence to receive products, which can range from every 30 days to every 60 to 360 days, depending on the product. The customer is billed on a recurring basis based on the selected cadence and a specified quantity of product is shipped at each billing. Customers can cancel subscriptions in accordance with our Terms and Conditions agreed to by customers to stop receiving additional products and can reactivate subscriptions to continue receiving additional products. Our integrated technology platform allows us to serve our customers efficiently from start to finish: initially from customer discovery and purchase of offerings on our websites and mobile application, to connecting customers with medical providers for telehealth consultations, to the fulfillment and delivery of customer orders, and finally through ongoing clinical management by medical providers. Management believes this technology-driven efficiency provides cost advantages that allow us to offer customers affordable prices and to generate robust gross margins.

We acquire new customers and drive brand awareness through various marketing channels, including social media, online search, television, radio, other media channels, presence in brick-and-mortar retail stores, and physical brand advertising campaigns. We intend to continue to invest in growth in our current offerings and additionally in new products and services. The Hims & Hers platform is purpose-built to scale efficiently and to accommodate the seamless addition of new products and services. We plan to launch new subscription-based offerings which we expect will have a similar margin profile and unit economics to current offerings. As we implement our product roadmap, we expect to grow revenue through additional subscription-based recurring revenue offerings. The recent launches of new prescription products in weight loss, sexual health, and dermatology, and launches of hair care and supplement retail products, demonstrate the scalability of the platform.

Growth Opportunities

Continue to acquire more customers

Our brand awareness and innovative, personalized products are core to our ability to attract new customers. Customers serve as ambassadors for the Hims & Hers brand, further driving organic growth through word of mouth and user-generated content. The large majority of our first time customers to date indicate that they came to Hims & Hers to learn about and find options for their condition and are seeking treatment for their particular conditions for the first time. The convenience of our websites and mobile application allows us to reduce stigma and access-related barriers that frequently prevent consumers from seeking medical care, expanding the Company's market opportunity. Organic growth is enhanced by sophisticated omnichannel acquisition strategies meant to target future customers with condition-specific on-ramps at profitable returns on investment. In addition, our brand positioning has afforded significant partnerships with leading talent whose promotional efforts drive meaningful awareness of the products and services we make available. As our portfolio of products and services grows across specialties, we believe that our market presence and brand recognition will expand, driving more consumers to seek out Hims & Hers for future healthcare needs.

Grow within existing customer base

Our expanded offerings that include more personalized products and clinical experiences across a broader range of conditions provide a large opportunity for us to grow our revenue within our existing customer base. Through more robust customer engagement, we have the ability to deliver longer term subscription adoption and drive more cross sell opportunities.

Specialty expansion into new conditions

We are pursuing a roadmap of rapid specialty expansion into new conditions that can be treated safely and effectively via telehealth, require ongoing and recurring customer relationships, and for which generic medication has been established as an effective means of treatment. Future care opportunities that show high prevalence within our existing customer base and offer traits similar to our existing specialties in terms of business model characteristics include testosterone treatment, menopause, sleep disorders, post-traumatic stress disorder, fertility, diabetes, cholesterol, and hypertension, which we believe represent

significant opportunities. Given the prevalence of these conditions, we see a large market opportunity for our current and future offerings.

Leverage existing capabilities to penetrate new sales channels and further improve operations

In 2020, we opened an approximately 300,000 square foot facility in New Albany, Ohio. In 2021, this facility began housing a dedicated licensed mail order pharmacy, XeCare, LLC (or "XeCare"), that provides prescription fulfillment services solely to Hims & Hers customers. In July 2021, we completed our acquisition of YoDerm, Inc. ("Apostrophe"), allowing us to expand personalized dermatological offerings to our customers. Apostrophe Pharmacy LLC ("Apostrophe Pharmacy," and together with XeCare, the "Affiliated Pharmacies"), is an additional dedicated licensed mail order pharmacy located in Arizona that provides prescription fulfillment services solely to Hims & Hers customers as part of our acquisition of Apostrophe in 2021. In 2022, we expanded the Apostrophe Pharmacy facility and opened an approximately 25,000 square foot facility in Gilbert, Arizona. The Affiliated Pharmacies together enable seamless drug delivery, and drive increased operating leverage across the platform by allowing us to further personalize and consolidate shipping of orders as well as expand capabilities quickly for adjacent and other new conditions. The Affiliated Pharmacies allow us to lower our cost structure by reducing some of the costs typically associated with contractual third-party pharmacy relationships.

Expand into new geographies

Our strong brand and digital-first, cloud-based business model has driven rapid adoption in the U.S. Additionally, our model has been developed to be scalable and applicable across new markets and languages. We expanded into the United Kingdom in early 2021, and in June 2021, we completed our acquisition of U.K.-based Honest Health Limited, which is now Hims & Hers UK Limited ("HHL"), a company that offers health and wellness products and services. The acquisition of HHL has allowed us to expand our operations in the United Kingdom further. We believe our model will afford us further international expansion opportunities in Europe and beyond. We believe the consumer-focused services our model provides are applicable to a range of geographies across the world.

Affiliated Medical Groups, Providers, Health System Partnerships and Partner and Affiliated Pharmacies

Affiliated Medical Groups and Providers

Due to the prohibition on the corporate practice of medicine adopted by a majority of states in the U.S., we have contractual arrangements with Affiliated Medical Groups to enable their provision of clinical services to our customers. "Affiliated Medical Groups" are separate professional corporations or other professional entities owned solely by licensed physicians and that engage licensed healthcare professionals to provide telehealth consultations and related services, including applicable physician supervision of nurse practitioners and physician assistants. We are prohibited from owning a professional entity such as any of the Affiliated Medical Groups under the rules prohibiting the corporate practice of medicine. However, the Affiliated Medical Groups were incorporated and established with our assistance for the specific purpose of providing clinical services to patients through the Hims & Hers platform and have no other operations or activities outside of the provision of services through the Hims & Hers platform.

The Affiliated Medical Groups contract with or employ physicians, nurse practitioners, physician assistants, and behavioral health providers (each, a "Provider") to provide telehealth consultations and related services on the Hims & Hers platform. We enter into certain contractual agreements with the Affiliated Medical Groups and their physician owners, including administrative services agreements and continuity agreements, under which we serve as an administrative services manager for the Affiliated Medical Groups for the non-clinical aspects of their operations and receive a fixed administrative fee from each Affiliated Medical Group for these services. The administrative services and support we provide include IT products and support, including the Hims & Hers platform and electronic medical record system, billing and collection services, non-clinical personnel, customer service support, administrative support for provider credentialing and quality assurance, and other non-clinical items and services, including access to a line of credit we make available to the Affiliated Medical Groups as necessary to support their operations. The Affiliated Medical Groups retain sole control of clinical decision-making and the practice of medicine. We are the exclusive administrative services provider for the Affiliated Medical Groups, and the Affiliated Medical Groups provide services to patients exclusively through the Hims & Hers platform. Our arrangements with the Affiliated Medical Groups generally have initial ten-year terms with renewal options. These arrangements are reviewed and updated periodically to address changing regulatory or market conditions.

Health System Partnerships

The strength of the Hims & Hers brand affords us numerous opportunities to partner with and offer new solutions to help transform existing healthcare stakeholders. We have relationships with leading health systems including Ochsner Health, Mount Sinai Health System, Carbon Health, ChristianaCare Health System, and Hartford Healthcare to provide a clinically focused, telehealth-enabled patient care collaboration. These relationships offer our customers access to applicable in-person care within these systems to enhance their overall healthcare experience. These collaborations, which are intended to help Hims & Hers customers obtain in-person care not accessible through the Hims & Hers platform, do not involve any monetary exchange, compensation, or other financial incentives between the parties.

Partner and Affiliated Pharmacies

We maintain contractual arrangements with three licensed pharmacies (sometimes referred to herein as "Partner Pharmacies"), EHT Pharmacy LLC (d/b/a Curexa Pharmacy), ITC Inc. (d/b/a ITC Compounding Pharmacy), and The London Specialist Pharmacy Limited for fulfillment and distribution of certain prescription and non-prescription products available through the Hims & Hers platform. We are not bound by any exclusivity or minimum order requirements with respect to our use of each pharmacy, and have the ability to utilize other pharmacies at our discretion. The contractual arrangements with the pharmacies are typically for one-year terms with automatic renewals, subject to standard termination rights of the parties. The pharmacies' rates are fixed in the contractual arrangements and changes require the mutual agreement of the parties.

We have also entered into service agreements with each of our Affiliated Pharmacies.

Regulatory Environment

As a consumer-focused health and wellness company delivering comprehensive telehealth technologies and services and health and wellness products (prescription and over-the-counter), in addition to the typical legal and regulatory considerations faced by a technology-based company, we are required to comply with complex healthcare laws and regulations, and consumer protection laws and regulations, all at both the state and federal level. Our business and operations are subject to extensive regulation, including with respect to the practice of medicine, the use of telehealth, relationships with healthcare providers, privacy and security of personal health information, product safety and pharmacy operations.

Government regulation of healthcare generally

Generally speaking, the healthcare industry is one of the most highly regulated industries in the United States. Healthcare-related businesses are subject to a broad array of governmental regulation at the federal, state, and local levels. While portions of our business are subject to significant regulations, some of the more well-known healthcare regulations do not apply to the Company because of the way our current operations are structured. We currently accept payments only from our customers—not any third-party payors, such as government healthcare programs or health insurers. Because of this approach, we are not subject to many of the laws and regulations that impact other participants in the healthcare industry. If we begin accepting reimbursement payments from insurance providers or other third-party payors such as a government program, we will become subject to some of these additional healthcare laws and regulations.

Irrespective of our business model, the healthcare industry is subject to changing political, economic and regulatory influences that may affect health and wellness companies like Hims & Hers. During the past several years, the healthcare industry has been subject to an increase in governmental regulation and subject to potential disruption due to legislative initiatives and government regulation, as well as judicial interpretations thereof. While these regulations may not directly impact us or our offerings in any given case, they will affect the healthcare industry as a whole and may impact customer use of the Company's solutions. If the government asserts broader regulatory control over companies like us or if we accept payment from and/or participate in third-party payor programs in the future, the complexity of our operations and our compliance obligations will materially increase.

Government regulation of the practice of medicine and telehealth

The practice of medicine is subject to various federal, state, and local certification and licensing laws, regulations, approvals and standards, relating to, among other things, the qualifications of the provider, the practice of medicine (including specific requirements when providing health care utilizing telehealth technologies and the provision of remote care), the continuity and adequacy of medical care, the maintenance of medical records, the supervision of personnel, and the prerequisites for the prescription of medication and ordering of tests. Because the practice of telehealth is relatively new and rapidly developing, regulation of telehealth is evolving and the application, interpretation and enforcement of these laws, regulations and standards can be uncertain or uneven. Similarly, the ability of the Affiliated Pharmacies to fulfill prescriptions and distribute pharmaceutical products, including compounded pharmaceutical products, is dependent upon the laws that govern licensed pharmacies and the fulfillment and distribution of prescription medication and other pharmaceutical products, which include in some cases requirements relating to telehealth. As a result, we must continually monitor legislative, regulatory, and judicial developments regarding the practice of medicine, telehealth and pharmaceutical laws in order to support the Affiliated Medical Groups and the Affiliated Pharmacies.

Physicians, mid-level providers (e.g., physician assistants, nurse practitioners), and behavioral health providers who provide professional clinical services via telehealth must, in most instances, hold a valid license to provide the applicable professional services in the state in which the patient is located. We have established systems to assist the Affiliated Medical Groups in ensuring that their providers are appropriately licensed under applicable state law and that their provision of telehealth to our customers occurs in each instance in compliance with applicable rules governing telehealth.

Additionally, there may be limitations placed on the modality through which telehealth services are delivered. For example, some states specifically require synchronous (or "live") communications and restrict or exclude the use of asynchronous telehealth modalities, which is also known as "store-and-forward" telehealth. However, other states do not distinguish between synchronous and asynchronous telehealth services. In response to the COVID-19 pandemic, some state and federal regulatory authorities lowered certain barriers to the practice of telehealth in order to make remote healthcare services more accessible. Due to our business model, these changes did not dramatically change our operations, but these changes did introduce many people to the practice of telehealth. It is unclear whether these changes will have a long-term impact on the adoption of telehealth services by the general public or legislative and regulatory authorities.

Corporate practice of medicine laws in the U.S.; Fee splitting

In certain jurisdictions, the corporate practice of medicine doctrine generally prohibits non-physicians from practicing medicine, including by employing physicians to provide clinical services, directing the clinical practice of physicians, or holding an ownership interest in an entity that employs physicians. Some states have similar doctrines with respect to other professional licensure categories, including behavioral health services and providers. Other practices, such as professionals splitting their professional fees with non-professional persons or entities, is also prohibited in some jurisdictions. Many states also limit the extent to which nurse practitioners and physician assistants can practice independently and require that they practice under the supervision of or in collaboration with a supervising physician. These laws are intended to prevent unlicensed persons from interfering with or unduly influencing a physician's professional judgment. State laws and enforcement activities related to the corporate practice of medicine and fee-splitting vary dramatically. In some states, even activities not directly related to the delivery of clinical services may be considered an element of the practice of medicine. For example, in some states the corporate practice of medicine restrictions may be implicated by non-clinical activities such as scheduling, contracting, setting rates, and the hiring and management of non-clinical personnel.

Because of the restrictions on the corporate practice of medicine doctrine and fee-splitting in various jurisdictions, we do not employ the healthcare providers who provide clinical services on the Hims & Hers platform. Instead, the Affiliated Medical Groups provide services on the platform and we contract with but do not own the Affiliated Medical Groups. The Affiliated Medical Groups and their providers maintain exclusive authority regarding the provision of healthcare services (including consults that may lead to the writing of prescriptions) and remain responsible for retaining and compensating their providers, credentialing decisions regarding their providers, maintaining professional standards, maintaining clinical documentation within medical records, establishing their own fee schedule, and submitting accurate information to us so that we can bill customers. Despite our care in structuring arrangements with the Affiliated Medical Groups, it is possible that a regulatory authority or another party, including providers affiliated with Affiliated Medical Groups, could assert that we (or other organizations with similar business models) are engaged in the corporate practice of medicine or that the contractual arrangements with Affiliated

Medical Groups violate a state's fee-splitting prohibition. Failure to comply with these state laws could lead to materially adverse consequences for the Company.

U.S. Federal and State fraud and abuse laws

Participants in the United States healthcare industry are subject to extensive federal and state regulation with respect to kickbacks, physician self-referral arrangements, false claims, and other fraud and abuse issues. For example, the federal anti-kickback law (the "Anti-Kickback Law") prohibits, among other things, knowingly and willfully offering, paying, soliciting, receiving, or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing, arranging for, or recommending of an item or service that is reimbursable, in whole or in part, by a federal health care program. The federal False Claims Act imposes liability on any person or entity that, among other things, knowingly presents, or causes to be presented, a false or fraudulent claim for payment to the federal government. The penalties for violating these laws can be severe, including criminal and civil penalties, imprisonment, and possible exclusion from the federal health care programs. In addition, the federal ban on physician self-referrals, commonly known as the "Stark Law," prohibits, subject to certain exceptions, physician referrals of Medicare patients to an entity providing certain "designated health services" if the physician or an immediate family member of the physician has any financial relationship with the entity.

Given our current operations, the Anti-Kickback Law, the federal False Claims Act, the Stark Law, and other laws that are tied to federal health care programs or commercial insurer reimbursement should not apply to our business. If the scope of these laws is extended to include a broader spectrum of activities or if we begin to accept reimbursement payments from insurance providers or other third-party payors such as a government program, we could become subject to these laws and need to modify our business model. Additionally, should we begin accepting reimbursement payments from insurance providers or other third-party payors, the Company will be subject to significantly increased compliance obligations and costs.

FDA regulation

Certain of the products available through our platform, and the third-party suppliers and manufacturers of these products, including pharmaceuticals, over-the-counter drugs, over-the-counter devices, cosmetics, and dietary supplements, are subject to extensive regulation by the FDA and international, federal, state, and local authorities. These authorities can enforce regulations related to methods and documentation of the testing, production, compounding, control, safety, quality assurance, labeling, packaging, sterilization, storage, and shipping of products. Government regulations specific to pharmaceuticals are wide ranging and govern, among other things: the ability to bring a pharmaceutical to market, the conditions under which it can be sold, the conditions under which it must be manufactured, and permissible claims that may be made for such product. Certain of the products available through the Hims & Hers platform require approval by the FDA and are subject to the limitations placed by the FDA on the approved uses in the product prescribing information. Some of these products are prescribed by Providers on the platform for "off-label" uses (i.e., for a use other than that specifically authorized by the FDA for the medication in question). While Providers are legally permitted to prescribe medications for off-label uses, and although we believe our product promotion is conducted in material compliance with FDA and other regulations, if the FDA determines that our product promotion constitutes promotion of an unapproved use of an approved product or of an unapproved product, the FDA could request that we modify our product promotion or subject us to regulatory and/or legal enforcement actions, including the issuance of a warning letter, injunction, seizure, civil fine, and criminal penalties. It is also possible that other federal, state, or foreign enforcement authorities might take action if they consider the product promotion to constitute promotion of an unapproved use of an approved product or of an unapproved product, which could result in significant fines or penalties under other statutes, such as laws prohibiting false claims for reimbursement.

Certain of the products available through our platform are compounded drug products under Section 503A of the Federal Food, Drug & Cosmetic Act ("FDCA"). While we believe the compounded drug products available through our platform meet the requirements for exemption under Section 503A of the FDCA, if the FDA were to determine that such products do not meet the requirements for exemption, the FDA could subject us, our Affiliated Pharmacies, Partner Pharmacies, Affiliated Medical Groups or Providers to regulatory and/or legal enforcement actions, including the issuance of a warning letter, injunction, seizure, civil fine, and criminal penalties. Other federal, state, or foreign enforcement authorities might also take action against us or the Affiliated Pharmacies, Partner Pharmacies, Affiliated Medical Groups or Providers if they determine that compounded drug products available through our platform do not meet applicable legal or regulatory requirements. Regulatory and/or legal enforcement actions by the FDA or other federal, state, or foreign enforcement authorities could have material adverse consequences on the Company and/or its operations.

Health information privacy and security laws

Numerous U.S. state and federal laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of health information and other types of personal data or personally identifiable information ("PII"). We believe that, because of our operating processes, we are not a covered entity or a business associate with respect to our customers or services provided through our platform under the Health Insurance Portability and Accountability Act and the implementing regulations ("HIPAA"), which establishes a set of national privacy and security standards for the protection of protected health information by health plans, healthcare clearinghouses, and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services. However, to the extent we begin accepting payment from third parties or insurance providers, we may become subject to HIPAA in relation to our customers and could face penalties and fines if we fail to comply with applicable requirements of HIPAA and its implementing regulations. Regardless of whether or not we meet the definition of a covered entity or business associate under HIPAA, we have executed business associate agreements with certain other parties and have assumed obligations that are based upon HIPAA-related requirements. Because we need to use and disclose customers' health and personal information in order to provide our services, we have developed and maintain policies and procedures to protect that information, including the adoption of administrative, physical and technical safeguards. As our business operations continue to develop, including through the launch of new product offerings or the development of new services, we may collect additional sensitive health and personal information from our customers that could create additional compliance obligations and may increase our exposure to compliance and regulatory risks regarding the protection and dissemination of such information.

In addition to HIPAA, numerous other federal, state, and foreign laws and regulations protect the confidentiality, privacy, availability, integrity and security of health information and other types of PII, including the California Confidentiality of Medical Information Act, and these laws and regulations are rapidly evolving. These laws and regulations in many cases are more restrictive than, and may not be preempted by, HIPAA and its implementing rules, particularly with respect to highly sensitive PII involving behavioral health or sexually transmitted diseases. These laws and regulations are often uncertain, contradictory, and subject to changing or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future. This complex, dynamic legal landscape regarding privacy, data protection, information security, and artificial intelligence creates significant compliance issues for us, the Affiliated Medical Groups, the Affiliated Pharmacies, and the Providers, and potentially exposes us to additional expense, adverse publicity, and liability. Additionally, these laws may be similar to or even more protective than, and may not be preempted by, HIPAA and other federal privacy laws, particularly with respect to highly sensitive PII involving behavioral health or sexually transmitted diseases. The privacy and data protection laws in many states in which we operate are more restrictive than HIPAA and/or may apply more broadly than HIPAA..

For example, the California Consumer Privacy Act ("CCPA") and the California Privacy Rights Act ("CPRA") require, among other things, covered companies to provide new disclosures to California consumers and afford such consumers new abilities to opt-out of certain sales of personal information. Similar legislation has been proposed or adopted in other states. Aspects of these new and emerging state privacy laws and regulations, as well as their interpretation and enforcement, are dynamic and evolving. These laws and regulations each require particular assessment for compliance, and we may be required to modify our practices in an effort to comply with them, which may impact demand for our offerings.

Where state laws are more protective than HIPAA or apply more broadly than HIPAA, we must comply with the state laws to which we are subject. In certain cases, it may be necessary to modify our planned operations and procedures to comply with these more stringent state laws. Not only may some of these state laws impose fines and penalties upon violators, but also some, unlike HIPAA, may afford private rights of action to individuals who believe their personal information has been misused. We expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future; state laws are changing rapidly, numerous states are currently reviewing legislation that is similar to the CCPA and/or CPRA, and there is discussion of a new federal privacy law or federal breach notification law.

Additionally, we are subject to the General Data Protection Regulation ("GDPR") as implemented in the United Kingdom (the "UK GDPR"). The GDPR became effective in the European Union ("EU") on May 25, 2018. Under the GDPR, data protection authorities in the EU have the power to impose significant administrative fines for violations, which may also lead to damages claims by data controllers and data subjects. The UK GDPR sits alongside the UK Data Protection Act 2018 which implements certain derogations in the GDPR into UK law. Under the UK GDPR, companies not established in the UK but who process personal data in relation to the offering of goods or services to individuals in the UK, or to monitor their behavior, are subject to the UK GDPR - the requirements of which are (at this time) largely aligned with those under the GDPR and may lead to significant compliance and operational costs. Additionally, in July 2023, the European Commission adopted an adequacy decision concluding that the United States ensures an adequate level of protection for personal data transferred from the EEA to the United States under the EU-U.S. Data Privacy Framework (followed in October 2023 with the adoption of an adequacy

decision in the UK for the UK-United States Data Bridge). However, the adequacy decision does not foreclose, and is likely to face, future legal challenges.

Marketing

We are building a trusted brand focused on empowering consumers to feel great by providing modern personalized health and wellness experiences to consumers to address their health and wellness needs. From our launch, we have used a diverse marketing strategy to reach our customers. We advertise on digital media, social media, television, radio, out-of-home media, and various other media channels. We believe advertising in a diversified set of media channels is important to prevent overreliance on any single channel and to maximize the exposure of our brands to our desired customers. We also reach our customers through our own social media accounts, press coverage and public relations, internally developed educational and lifestyle content, presence in brick-and-mortar retail stores, and physical brand advertising campaigns. This overall strategy drives significant customer traffic to our platform, including direct type-in traffic and organic online search traffic.

Our marketing strategy is underpinned by a focus on analytics and data. We have built our team and systems to measure consumer behavior, including which types of consumers generate more revenue in their first purchase, generate more revenue over time, generate more gross profit from their purchases, and which types of consumers are most valuable over their lifetime. We also rigorously measure the effectiveness of our marketing budgets and the rate of return we generate from our marketing campaigns. The marketing team is accountable for driving a sufficient rate of return from their budgets. We view our marketing capabilities as a core strength of the Company and a key differentiator in the market.

Human Capital Management

People and Culture

At Hims & Hers, we are focused on providing an exceptional experience to our employees, while focusing on serving our customers. Our team is central to our mission to transform the health and wellness industry and to help the world feel great through the power of better health. We believe that celebrating multiple approaches and perspectives allows us to better meet the challenge of providing access to people-centered, more personalized health and wellness solutions. We continue to look for intentional ways to expand our programs and initiatives to not only attract, develop, and retain top talent, but also to center the well-being of our people.

We strive to hire the best and brightest talent across the industry with a focus on individuals determined to improve access to health and wellness solutions for millions. As of December 31, 2023, our team was comprised of 1,046 employees across various functions.

We took prompt action to protect our employees' health in response to the COVID-19 pandemic, including closing our offices in March 2020 and shifting to an official remote-first policy in June 2020. We have heavily invested in the software, tools, and culture that allow our company to be a leading force in the new remote-work environment. Not only has this allowed us to maintain and enhance our commitment to quality, our management team believes it has also provided a real competitive advantage by attracting diverse talent and garnering new geographic exposure. Because we prioritize hiring team members with a variety of lived experiences, we believe we get the benefit of more multi-faceted and nuanced insight into the customers we serve. This also ensures that our internal community reflects our vision for an equity-centered, inclusive workforce.

We aim to create an environment of mutual trust, confidence, and inclusion to provide opportunity for growth and recognition, with the ultimate goal of helping more customers feel great through providing access to better health and wellness solutions. We are a company with a growth mindset. To that end, we gauge our employees' level of engagement and satisfaction through annual engagement surveys. We leverage these surveys to gather information to ensure we hear directly from our employees on their personal work experiences and how we can continue working to manifest our value set. We evaluate the data obtained through employee feedback to architect learning pathways and experiences that are truly valuable to our employees. For example, in 2022 we launched people manager training and labs as well as effective communication training across the organization. We are continually working to improve our process and policies to align with our growing and evolving workforce.

Further, we have committed to, and formalized, employee development programs that are focused on feedback, coaching and employee development. Programming includes a formalized performance review process that includes a self-evaluation process and a manager self-evaluation process, together with training and resources on how to approach these evaluations.

We also offer our employees a holistic total rewards package with premier benefit and well-being programs intended to fit the needs of our employees and their family members. In addition to standard medical coverage, we offer employees dental and vision coverage, health savings and flexible spending accounts, employee assistance programs, short-term and long-term disability coverage, and life insurance. We also offer a 401(k) Savings Plan and the ability to participate in our Employee Stock Purchase Plan to all U.S. employees. In addition, the majority of our employees are eligible for equity awards, depending on function, to align incentives and provide the opportunity to share in the Company's financial success. Additionally, our paid time off programs enable and encourage our workforce to enjoy personal time away from their job responsibilities. We also offer generous parental leave benefits for eligible employees.

Commitment to highest standards of provider quality

In addition to our employees, as of December 31, 2023, 658 medical providers located throughout all 50 states in the U.S. provided services on the Hims & Hers platform through the Affiliated Medical Groups. These medical professionals adhere to a rigorous set of assessments and all credentials, licenses, and qualifications are cross-checked against federal, state, and other agencies. The Affiliated Medical Groups implement comprehensive processes, including written testing, to ensure adequate clinical skill and quality. Testing results are reviewed by an advisory board of physicians, with only the most qualified applicants approved by the Affiliated Medical Groups to provide consultations on the Hims & Hers platform. This rigor in provider selection ensures a strong culture of high standards focused around improving health and wellness outcomes for our customers.

Competition

Consumers have historically accessed the healthcare system in the U.S. through an antiquated model focused around brick-and-mortar healthcare providers and cost coverage through commercial and government payor programs. At the same time, many consumers are not aware of the relative affordability, convenience, and accessibility of care through the use of telehealth. Much of our marketing efforts since our founding have thus focused on consumer education around these capabilities and the underlying conditions that providers on our platform can help treat. The relatively low (albeit rapidly increasing) penetration of telehealth implies that there is a significant market opportunity as consumers continue to shift their behavior.

While we believe there are currently no direct competitors that offer the full suite of solutions and direct-to-consumer touch points as we do, there are several companies that offer components of telehealth or address conditions that compete with our solutions.

- In direct-to-consumer health and wellness, we compete with traditional healthcare providers, pharmacies, and large retailers that sell non-prescription products, including, for example, nutritional supplements, dermatology products, and hair care treatments.

- In direct-to-consumer healthcare, our competition is largely fragmented and consists of many competitors that are smaller in scale and/or are more niche in focus with respect to the conditions they treat. Within parts of the sexual health and hair loss market, we also compete mostly with private organizations with similar product offerings for consumers and/or similar pharmacological capabilities, including compounding capabilities.

- In telehealth and health and wellness management, we compete with other providers that are larger in scale and generally provide telehealth on behalf of self-insured employers and insurance plans. Within parts of the behavioral health market, we also compete with public and private organizations with similar product offerings for consumers.

Intellectual Property

Our ability to obtain and maintain intellectual property protection for our proprietary technology platform, preserve the confidentiality of our trade secrets, and operate without violating the intellectual property rights of others is important to our success. We have a number of measures to protect our intellectual property and brand, including trademarks, confidentiality procedures, non-disclosure agreements, and employee non-disclosure and invention assignment agreements, to establish and

protect our proprietary rights. Despite these efforts, there can be no assurance that we will adequately protect our intellectual property.

As of December 31, 2023, we held 26 registered trademarks in the U.S. and 188 in non-U.S. jurisdictions, and 33 pending trademarks in the U.S. and 82 in non-U.S. jurisdictions, including pending trademarks for our brand, Hims & Hers. We obtained our first registered trademark in December 2018 with the majority of our trademark registrations obtained between 2019 and 2023. Each trademark registration is due for renewal within ten years from the date of its respective registration date and may be renewed in ten year intervals thereafter. In addition, we have registered domain names for websites that we use in our business, such as www.hims.com, www.forhers.com, www.forhims.co.uk, and www.apostrophe.com. We have one pending patent and hold no registered patents at this time.

Additional Information

Our website addresses are www.hims.com, www.forhers.com, www.forhims.co.uk and www.apostrophe.com. We make available free of charge at the Investor Relations section of the hims.com website our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we file or furnish such materials with the Securities and Exchange Commission (the "SEC"). The SEC also maintains a website located at www.sec.gov that contains reports and other information regarding issuers that file electronically with the SEC. The information on our websites is not, and will not be deemed to be, a part of this Annual Report on Form 10-K or incorporated into any of our other filings with the SEC, except where we expressly incorporated such information.

Item 1A. Risk Factors

A description of the risks and uncertainties associated with our business and ownership of our Class A common stock is set forth below. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10-K, including our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations, and growth prospects. In such an event, the market price of our Class A common stock could decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. This Annual Report on Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See "Cautionary Note Regarding Forward-Looking Statements."

Summary of Principal Risk Factors

- Our limited operating history and evolving business make it difficult to evaluate our current business and future prospects and increases the risk of your investment.
- Our results of operations, as well as the performance of our key metrics, may fluctuate on a quarterly and annual basis, which may result in us failing to meet the expectations of industry and securities analysts or our investors.
- If we are unable to expand the scope of our offerings, including the number and type of products and services that we offer, the number and quality of Providers serving our customers, and the number and types of conditions capable of being treated through our platform, our business, financial condition, and results of operations may be materially and adversely affected.
- If we are unable to successfully market to new customers and retain existing customers, or if evolving privacy, healthcare, or other laws prevent or limit our marketing activities, our business, financial condition, and results of operations could be harmed.
- We operate in highly competitive markets and face competition from large, well-established healthcare providers, traditional retailers, pharmaceutical providers and technology companies with significant resources, and, as a result, we may not be able to compete effectively.
- Our brand is integral to our success. If we fail to effectively maintain, promote, and enhance our brand in a cost-effective manner, our business and competitive advantage may be harmed.

- If the Affiliated Medical Groups are unable to attract and retain high-quality Providers to perform services on our platform, or if we are unable to develop or maintain satisfactory relationships with these Providers or the Affiliated Medical Groups, our business, financial condition, and results of operations may be materially and adversely affected.
- Our pharmacy business subjects us to additional healthcare laws and regulations beyond those we face with our core telehealth business, and increases the complexity and extent of our compliance and regulatory obligations. If the state-based licenses maintained by our Affiliated Pharmacies are terminated, suspended, or otherwise limited, or if our Affiliated Pharmacies fail to comply with applicable pharmacy-related laws and regulatory requirements, our business, financial condition, and results of operations may be materially and adversely affected.
- If we fail to comply with applicable healthcare and other governmental regulations, we could face substantial penalties, our business, financial condition, and results of operations could be materially and adversely affected, and we may be required to restructure our operations.
- Evolving government regulations and enforcement activities may require increased costs or adversely affect our results of operations.
- Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or customers, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.
- From time to time we are subject to legal proceedings in the ordinary course of business, which can include intellectual property disputes or claims relating to our marketing or sale of products, any of which may be costly to defend and could materially harm our business and results of operations.
- We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.
- Our dual class common stock structure has the effect of concentrating voting power with our Chief Executive Officer and Co-Founder, Andrew Dudum, which limits an investor's ability to influence the outcome of important transactions, including a change in control.
- The market price of our Class A common stock may be volatile.

Risks Related to Our Business

Our limited operating history and evolving business make it difficult to evaluate our current business and future prospects and increases the risk of your investment.

Our limited operating history and evolving business make it difficult to evaluate our current business and future prospects and plan for our future growth. We began offering products and services in 2017. Since that time, our business has expanded and we have increased the ways that we can address customer needs. We have encountered and will continue to encounter significant risks and uncertainties frequently experienced by growing companies in rapidly changing and heavily regulated industries, such as attracting new customers and Providers to our platform, retaining our customers and encouraging them to utilize new offerings we make available, increasing the number of conditions that can be treated by Providers through our platform, operating licensed pharmacies and the compounding and distribution of pharmaceutical products, competition from other companies, including online healthcare providers and traditional healthcare providers, hiring, integrating, training, and retaining skilled personnel, verifying the identity of customers and credentials of Providers serving our customers, developing new solutions, determining prices for our solutions, unforeseen expenses, challenges in forecasting accuracy, and new or adverse regulatory developments affecting the use of telehealth, pharmaceutical products or operations, data privacy, use of artificial intelligence, or other aspects of the healthcare industry. Additional risks include our ability to effectively manage growth and process, store, protect, and use personal data in compliance with governmental regulation, contractual obligations, and other legal obligations related to privacy and security. If our assumptions regarding these and other similar risks and uncertainties that relate to our business, which we use to plan our business, are incorrect or change as we gain more experience operating our platform or continue to expand into the treatment of new conditions, or if we do not address these challenges successfully, our operating and financial results could differ materially from our expectations and our business could suffer.

If we are unable to expand the scope of our offerings, including the number and type of products and services that we offer, the number and quality of Providers serving our customers, and the number and types of conditions capable of being treated through our platform, our business, financial condition, and results of operations may be materially and adversely affected.

We provide customers with access to non-prescription products, telehealth-based consultations with Providers, and certain prescription medications that may be prescribed by Providers in connection with telehealth consultations. In order for our business to continue growing, we need to continue expanding the scope of products and services we offer our customers, including telehealth consultations, prescription medication for additional conditions, and non-prescription health and wellness products and services. The introduction of new products, services, or technologies, including disruptive technologies by market participants, including us, can quickly make our products and services obsolete and unmarketable. Additionally, changes in laws and regulations (or enforcement thereof) could impact the usefulness of our platform or offerings and could necessitate changes or modifications to our platform or offerings to accommodate such changes. Alternatively, the introduction of new products, services or technologies could expose us to new or increased regulatory risks, including with respect to healthcare, privacy, or consumer protection laws, either through the provision of such products, services, or technologies, or by virtue of the new or expanded personal and health information we acquire from customers to support such offerings. We invest substantial resources in researching and developing new offerings and enhancing our solutions by incorporating additional features, improving functionality, and adding other improvements to meet our customers' evolving demands. The success of any enhancements or improvements to our services or any new offerings depends on a number of factors, including timely completion, competitive pricing, adequate quality testing, integration with new and existing technologies, regulatory compliance, and overall market acceptance. We may not succeed in developing, marketing, and delivering on a timely and cost-effective basis enhancements or improvements to our products or services or any new offerings that respond to continued changes in market demands or new customer requirements, and any enhancements or improvements to our products or services or any new offerings may not achieve market acceptance. Since developing enhancements to our products and services and the launch of new offerings can be complex, the timetable for the release of new offerings and enhancements to our existing products and services is difficult to predict, and we may not launch new offerings and updates as rapidly as our current or prospective customers require or expect. Any new offerings or product or service enhancements that we develop may not be introduced in a timely or cost-effective manner, may contain errors or defects, or may not achieve the market acceptance necessary to generate sufficient revenue. In addition, any failure, or perceived failure, by us to comply with any federal, state, or local laws or regulations with respect to any new offering or product or service enhancement could adversely affect our reputation, brand, and business, and may result in claims, proceedings, or actions against us by governmental entities, consumers, suppliers, or others or other liabilities that may require us to change our operations and/or cease offering certain products or services. Moreover, even if we introduce new offerings, we may experience a decline in revenue of our existing offerings that is not offset by revenue from the new offerings. In addition, we may lose existing customers who choose a competitor's products and services. This could result in a temporary or permanent revenue shortfall and adversely affect our business.

If we are unable to successfully market to new customers and retain existing customers, or if evolving privacy, healthcare, or other laws prevent or limit our marketing activities, our business, financial condition, and results of operations could be harmed.

We generate revenue from our platform by selling non-prescription health and personal care products to consumers and offering consumers a technology driven platform to access telehealth consultations with Providers, who may prescribe customers certain prescription medications. We also rely on selling our non-prescription products through wholesale partnerships. Unless we are able to attract new customers, retain existing customers, and maintain our wholesale partnerships, our business, financial condition, and results of operations may be harmed.

In order to attract new customers and incentivize existing customers to purchase our offerings, we use social media, emails, text messages, celebrity influencers, and other marketing strategies to reach potential and existing customers. State and federal laws and regulations governing the privacy and security of personal information, including healthcare data, are evolving rapidly and could impact our ability to identify and market to potential and existing customers. Similarly, certain federal and state laws regulate, and in some cases limit, the use of discounts, promotions, and other marketing strategies in the healthcare industry. If federal, state, or local laws governing our marketing activities become more restrictive or are interpreted by governmental authorities to prohibit or limit these activities, our ability to attract new customers and retain customers would be affected and our business could be materially harmed. In addition, any failure, or perceived failure, by us or other telehealth companies to comply with any federal, state, or local laws or regulations governing our marketing activities could adversely affect the perception of our industry, our reputation, brand, and business, and may result in claims, proceedings, or actions against us by

governmental entities, consumers, suppliers or others or other liabilities or may require us to change our operations and/or cease using certain marketing strategies.

Changes to social networking, advertising platforms' or mobile device or other operating systems' terms of use; terms of service or traffic algorithms that limit promotional communications or impose restrictions that would limit our ability or our customers' ability to send communications through their platforms; disruptions or downtime experienced by these platforms; or reductions in the use of or engagement with social networking or advertising platforms by customers and potential customers could also harm our business. Additionally, changes in regulations or the business practices of third-parties could limit our ability, and the ability of search engines and social media platforms, to collect data from users and engage in targeted advertising, which could negatively impact the effectiveness of our digital marketing. The regulation of the use of cookies and other current online tracking and advertising practices, or a loss in our ability to make effective use of services that employ such practices, could adversely affect our business if we are unable to adjust our marketing practices accordingly. As laws and regulations rapidly evolve to govern the use of these channels, the failure by us or our employees or third parties acting at our direction to abide by applicable laws and regulations in the use of these channels could adversely affect our reputation or subject us to fines or other penalties. In addition, our employees or third parties acting at our direction may knowingly or inadvertently make use of social media in ways that could lead to the loss or infringement of intellectual property, as well as the public disclosure of proprietary, confidential, or sensitive personal information of our business, employees, consumers or others. Any such inappropriate use of social media, emails, and text messages could also cause reputational damage and adversely affect our business.

Additionally, we collect consumer data, including email addresses and phone numbers, to further our marketing efforts with such consumers. If we fail to adequately or accurately collect such data or if our data collection systems are breached or information therein is misused, our business, financial condition, and results of operations could be harmed. Further, any failure, or perceived failure, by us, or any third parties processing such data, to comply with privacy policies or with any federal or state healthcare, privacy or consumer protection-related laws, regulations, industry self-regulatory principles, industry standards or codes of conduct, regulatory guidance, orders to which we may be subject or other legal obligations relating to privacy, consumer consent, or consumer protection could adversely affect our reputation, brand, and business, and may result in claims, proceedings or actions against us by governmental entities, consumers, suppliers or others or other liabilities or may require us to change our operations and/or cease using certain data sets.

Use of social media and celebrity influencers may materially and adversely affect our reputation or subject us to fines or other penalties.

We use third-party social media platforms as part of our marketing strategy. For example, our brands maintain Instagram, Facebook, YouTube and TikTok accounts. We also maintain relationships with many social media and celebrity influencers and engage in sponsorship initiatives. As existing e-commerce and social media platforms continue to rapidly evolve and new platforms develop, we expect to maintain a presence on these existing platforms and an important part of our marketing strategy is to establish and maintain a presence on new or emerging popular social media platforms. If we are unable to cost-effectively use social media platforms as marketing tools, if the social media platforms we use change their policies or algorithms, or if evolving laws and regulations limit how we can market through these channels, if at all, we may not be able to fully optimize our use of such platforms and our ability to retain current customers and acquire new customers may suffer. Any such failure could adversely affect our reputation, revenue, and results of operations.

In addition, an increase in our use of social media for product promotion and marketing may increase the burden on us to monitor compliance of such materials, and increase the risk that such materials could contain problematic product or marketing claims in violation of applicable regulations. For example, in some cases, the Federal Trade Commission has sought enforcement action where an endorsement has failed to clearly and conspicuously disclose a financial relationship or material connection between an influencer and an advertiser. We do not control the content of what our influencers post on social media, and if we were held responsible for any false, misleading, or otherwise unlawful content of their posts or their actions, we could be fined or subjected to other monetary liabilities or required to alter our practices, which could have an adverse impact on our business and reputation.

A failure to accurately identify promising celebrity influencers to use and endorse our products or a failure to enter into cost-effective celebrity influencer arrangements may have an adverse effect on our reputation or business. Moreover, the cost to enter into arrangements with celebrity influencers may increase over time, which could have an adverse impact on our financial condition and results of operations.

Negative commentary regarding our business, or celebrity influencers who endorse our products and other third parties who are affiliated with or endorse us, may also be posted on social media platforms. Celebrity influencers with whom we maintain endorsement arrangements could engage in behavior or use their platforms to communicate with our customers in a manner that reflects poorly on our brand and may be attributed to us or otherwise adversely affect our reputation. Any such negative commentary could impact our reputation or brand and affect our ability to attract and retain customers, which could have a material adverse effect on our business and results of operations.

If we are unable to expand our marketing infrastructure, we may fail to increase the usage of our platform to meet our forecasts.

We first launched our services in 2017 and we have experienced rapid growth since that time. As a result, we have limited experience marketing our offerings and engaging customers at our current scale. We derive a substantial majority of our revenue from customers' subscription-based purchases of prescription products made available through our platform. We expect to continue to expand the conditions for which customers can seek treatment from Providers through our platform, and as a result, new customer acquisition is integral to our business. Our financial condition and results of operations are and will continue to be highly dependent on the ability of our marketing function to adequately promote, market, and attract customers to our platform and offerings in a manner that complies with applicable laws and regulations and at a cost that does not exceed our current budget allocated to marketing.

A key element of our business strategy is the continued expansion of our marketing infrastructure to drive customer enrollment. As we increase our marketing efforts in connection with the expansion of our platform offerings, we will need to further expand the reach of our marketing networks. Our future success in this area will depend on our ability to continue to hire, train, retain, and motivate a skilled marketing workforce with significant industry-specific knowledge in various areas, including direct-to-consumer business models, e-commerce, technology, healthcare, and the regulatory restrictions related thereto, as well as the competitive landscape for our solutions.

If we are unable to expand our marketing capabilities, we may not be able to effectively expand the scope of our platform to attract new customers and give our existing customers additional treatment options. Relatedly, if any of our marketing platforms significantly increase their advertising fees, our ability to expand our marketing reach will be greatly impeded. Any such failure could adversely affect our reputation, revenue, and results of operations.

Our brand is integral to our success. If we fail to effectively maintain, promote, and enhance our brand in a cost-effective manner, our business and competitive advantage may be harmed.

We believe that maintaining and enhancing our reputation and brand recognition is critical to our relationships with existing customers, Providers, strategic partners, Affiliated Pharmacies, and Partner Pharmacies, and to our ability to attract new customers, Providers, strategic partners, Affiliated Pharmacies and Partner Pharmacies. The promotion of our brand may require us to make substantial investments, and we anticipate that, given the highly competitive nature of our market, these marketing initiatives may become increasingly difficult and expensive. Brand promotion and marketing activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our results of operations could be harmed. In addition, any factor that diminishes our reputation or that of our management, including failing to meet the expectations of our customers, the Providers on our platform, or partners, could harm our reputation and brand and make it substantially more difficult for us to attract new customers, Providers, and partners. (See "–Use of social media and celebrity influencers may materially and adversely affect our reputation or subject us to fines or other penalties"). If we do not successfully maintain and enhance our reputation and brand recognition in a cost-effective manner, our business may not grow and we could lose our relationships with customers, Providers, and partners, which could harm our business, financial condition, and results of operations.

The failure of our offerings to achieve and maintain market acceptance could result in us achieving revenue below our expectations, which could cause our business, financial condition, and results of operations to be materially and adversely affected.

Our current business strategy is highly dependent on our platform and offerings achieving and maintaining market acceptance. Market acceptance and adoption of our business model and the products and services we make available depend on educating potential customers who may find our products and services useful, as well as potential partners, suppliers, and Providers, as to the distinct features, ease-of-use, positive lifestyle impact, cost savings, and other perceived benefits of our offerings as

compared to those of competitors. If we are not successful in demonstrating to existing and potential customers the benefits of our services, our revenue may decline or we may fail to increase our revenue in line with our forecasts.

Achieving and maintaining market acceptance of our model and our services could be negatively impacted by many factors, including, to the extent they arise from:

- perceived risks associated with the use of our platform, telehealth or similar technologies generally, including those related to privacy, customer data (including personal and health information), and the use of artificial intelligence;
- our inability to expand into new conditions and/or to attract and retain qualified Providers;
- regulatory developments that affect our business, including in healthcare, data privacy and security, consumer protection, and artificial intelligence;
- competitors offering telehealth options or technologies for customers and the rate of acceptance of those solutions as compared to our platform;
- perceived difficulty or complexity of obtaining a medical consultation or prescription on our platform;
- dissatisfaction with our pricing or billing practices;
- the ability of our Affiliated Pharmacies to meet inventory and product fulfillment expectations;
- negative reviews of Providers treating our customers;
- perceived ethical questions and potential negative public perception surrounding the use of customer data and artificial intelligence; and
- unsatisfactory suggestions made by artificial intelligence tools.

In addition, our business model and the products and services we make available may be perceived by potential customers, Providers, suppliers, and partners to be less trustworthy or effective than traditional medical care or competitive telehealth options, and people may be unwilling to change their current health regimens or adopt our offerings. Consumers who have healthcare insurance coverage may not wish to use our platform to access healthcare services or products for which insurance reimbursement is not available. Moreover, we believe that Providers can be slow to change their treatment practices or approaches because of perceived liability risks or distrust of departures from traditional practice. Accordingly, we may face resistance to our offerings from brick-and-mortar Providers.

The market for our model and services is new, rapidly evolving, and increasingly competitive, as the healthcare industry in the United States is undergoing significant structural change and consolidation, which makes it difficult to forecast demand for our solutions.

The market for our model is new, rapidly evolving and increasingly competitive. We are expanding our business by offering technology-driven access to consultation and treatment options for new conditions, including the utilization and integration of artificial intelligence in our offerings, but it is uncertain whether our offerings will achieve and sustain high levels of demand and market adoption. Our future financial performance depends in part on growth in this market, our ability to market effectively and in a cost-efficient manner, and our ability to adapt to emerging demands of existing and potential customers and the evolving regulatory landscape. It is difficult to predict the future growth rate and size of our target market. Negative publicity concerning telehealth generally, our offerings, customer success on our platform, or our market as a whole could limit market acceptance of our business model and services. If our customers do not perceive the benefits of our offerings, or if our offerings do not drive customer use and enrollment, then our market and our customer base may not continue to develop, or they may develop more slowly than we expect. Our success depends in part on the willingness of Providers and healthcare organizations to partner with us, increase their use of telehealth, and our ability to demonstrate the value of our technology to Providers, as well as our existing and potential customers. If Providers, healthcare organizations or regulators work in opposition to us or if we are unable to reduce healthcare costs or drive positive health outcomes for our customers, then the market for our services may not continue to develop, or it might develop more slowly than we expect. Similarly, negative publicity regarding customer confidentiality and privacy in the context of telehealth and artificial intelligence could limit market acceptance of our business model and services.

The healthcare industry in the United States is continually undergoing or threatened with significant structural change and is rapidly evolving. We believe demand for our offerings has been driven in part by rapidly growing costs in the traditional healthcare system, difficulties accessing the healthcare system, patient stigma associated with sensitive medical conditions, the movement toward patient-centricity and personalized healthcare, advances in technology, and general movement to telehealth. Widespread acceptance of personalized healthcare enabled by technology is critical to our future growth and success. A

reduction in the growth of technology-enabled personalized healthcare could reduce the demand for our services and result in a lower revenue growth rate or decreased revenue. Additionally, the majority of our revenue is driven by products and services offered through our platform on a subscription basis, and the adoption of subscription business models is still relatively new, especially in the healthcare industry. If customers do not shift to subscription business models and subscription health management tools do not achieve widespread adoption, or if there is a reduction in demand for subscription products and services or subscription health management tools, our business, financial condition, and results of operations could be adversely affected.

Additionally, if healthcare or healthcare benefits trends shift or entirely new technologies are developed that replace existing offerings, our existing or future products or services could be rendered obsolete and require that we materially change our technology or business model. If we are unable to do so, our business could be adversely affected. In addition, we may experience difficulties with software development, industry standards, design or marketing that could delay or prevent our development, introduction, or implementation of new options on our platform and any enhancements thereto. Any such difficulties may have an adverse effect on our business, financial condition, and results of operations.

Competitive platforms or other technological breakthroughs for the monitoring, management, treatment, or prevention of medical conditions may adversely affect demand for our offerings.

Our ability to achieve our strategic objectives will depend, among other things, on our ability to enable fast and efficient telehealth consultations, maintain comprehensive and affordable offerings, ensure the successful operation of our Affiliated Pharmacies, and deliver an accessible and reliable platform that is more appealing and user-friendly than available alternatives. Our competitors, as well as a number of other companies and providers, within and outside the healthcare industry, are pursuing new devices, delivery technologies, sensing technologies, procedures, treatments, drugs, and other therapies for the monitoring and treatment of medical conditions. Any technological breakthroughs in monitoring, treatment, or prevention of medical conditions, including through disruptive technologies such as artificial intelligence, that we are unable to similarly leverage could reduce the potential market for our offerings, which could significantly reduce our revenue and our potential to grow certain aspects of our business.

The introduction by competitors of solutions or offerings that are or claim to be superior to our platform or offerings may create market confusion, which may make it difficult for potential customers to differentiate between the benefits of our offerings and competitive solutions. In addition, the entry of multiple new products may lead some of our competitors to employ pricing strategies that could adversely affect the pricing of products and services we make available. If a competitor develops a product or business that competes with or is perceived to be superior to our offerings, or if a competitor employs strategies that place downward pressure on pricing within our industry, our revenue may decline significantly or may not increase in line with our forecasts, either of which could adversely affect our business, financial condition, and results of operations.

We operate in highly competitive markets and face competition from large, well-established healthcare providers, traditional retailers, pharmaceutical providers, and technology companies with significant resources, and, as a result, we may not be able to compete effectively.

The markets for healthcare and technology are intensely competitive, subject to rapid change, and significantly affected by new product and technological introductions and other market activities of industry participants. We compete directly not only with other established telehealth providers but also traditional healthcare providers, pharmacies, pharmaceutical companies, large retailers that sell non-prescription products, including, for example, over-the-counter medical devices, nutritional supplements, vitamins, and hair care treatments, as well as technology companies entering into the health and wellness industry. Our current competitors include traditional healthcare providers expanding into the telehealth market, incumbent telehealth providers, as well as new entrants into our market that are focused on direct-to-consumer healthcare or healthcare technology. Our competitors further include enterprise-focused companies that may enter the direct-to-consumer healthcare industry, as well as direct-to-consumer healthcare providers and technology companies. Many of our current and potential competitors may have greater name and brand recognition, longer operating histories, or significantly greater resources than we do, or may be able to offer products and services similar to those offered on our platform at more attractive prices than we can. Further, our current or potential competitors may be acquired by third parties with greater available resources, which has occurred and may continue to occur in our industry. In addition, our competitors have established, and may in the future establish, cooperative relationships with vendors of complementary products, technologies, or services to increase the availability of their solutions in the marketplace. As a result, our competitors may be able to respond more quickly and effectively than we can to new or changing

opportunities, technologies, standards, or customer requirements and may have the ability to initiate or withstand substantial price competition.

New competitors or alliances may emerge that have greater market share, a larger customer base, more widely adopted proprietary technologies, greater marketing expertise, and greater financial resources, which could put us at a competitive disadvantage. For example, some state and federal regulatory authorities lowered certain barriers to the practice of telehealth in order to make remote healthcare services more accessible in response to the COVID-19 pandemic. Although it is unclear whether these regulatory changes will be permanent or that they will have a long-term impact on the adoption of telehealth services by the general public or legislative and regulatory authorities, these changes may result in greater competition for our business. The lower barriers to entry may allow various new competitors to enter the market more quickly and cost effectively than before the COVID-19 pandemic.

Additionally, we believe that the COVID-19 pandemic introduced many new users to telehealth and further reinforced its benefits to potential competitors. We believe this may drive additional industry consolidation or cooperative relationships that may result in competitors with greater resources and access to potential customers. For example, we believe the COVID-19 pandemic may have caused various traditional healthcare providers to evaluate, and in some cases, pursue telehealth options that can be paired with their in-person capabilities. These industry changes could better position our competitors to serve certain segments of our current or future markets, which could create additional price pressure. In light of these factors, even if our offerings are more effective than those of our competitors, current or potential customers may accept competitive solutions in lieu of purchasing from us.

Our ability to compete effectively depends on our ability to distinguish our company and our offerings from our competitors and their products, and includes factors such as:

- accessibility, ease of use and convenience;
- price and affordability;
- personalization;
- brand recognition;
- long-term outcomes;
- breadth and efficacy of offerings;
- market penetration;
- marketing resources and effectiveness;
- partnerships and alliances;
- relationships with Providers, suppliers and partners; and
- regulatory compliance recourses.

If we are unable to successfully compete with existing and potential competitors, our business, financial condition, and results of operations could be adversely affected.

We have experienced rapid growth in recent fiscal years and expect to continue to invest in our growth for the foreseeable future. If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of service, or adequately address competitive challenges.

We have recently experienced a period of rapid growth in our operations and headcount. We grew our revenue from $271.9 million for the year ended December 31, 2021, to $526.9 million for the year ended December 31, 2022, to $872.0 million for the year ended December 31, 2023. Our number of employees has increased significantly over the last few years, from 398 employees as of December 31, 2021 to 1,046 employees as of December 31, 2023. We have also established operations in the U.K., launched the Affiliated Pharmacies dedicated to our operations, completed acquisitions of HHL and Apostrophe, and significantly increased the size of our customer base.

We anticipate that we will continue to significantly expand our operations and headcount in the near term, including internationally. This growth has placed, and future growth will place, a significant strain on our management, administrative, operational, and financial infrastructure. Our success will depend in part on our ability to continue to manage this growth effectively and execute our business plan. To manage the expected growth of our operations and personnel, we will need to

continue to improve our operational, financial, and management controls and our reporting systems and procedures, and we will need to ensure that we maintain high levels of customer support. Failure to effectively manage growth and execute our business plan could result in difficulty or delays in increasing the size of our customer base, declines in quality of customer support or customer satisfaction, increases in costs, difficulties in introducing new products or services, or other operational difficulties, and any of these difficulties could adversely affect our business performance and results of operations.

We are dependent on our relationships with the Affiliated Medical Groups, which we do not own, to provide healthcare consultation services, and our business could be adversely affected if those relationships were disrupted.

In certain jurisdictions, the corporate practice of medicine doctrine generally prohibits non-physicians from practicing medicine, including by employing physicians to provide clinical services, directing the clinical practice of physicians, or holding an ownership interest in an entity that employs or contracts with physicians. Some states have similar doctrines with respect to other professional licensure categories, including behavioral health services. Other practices, such as professionals splitting their professional fees with a non-professional, are also prohibited in some jurisdictions. Many states also limit the extent to which nurse practitioners and physician assistants can practice independently and require that they practice under the supervision of or in collaboration with a supervising physician.

Through our platform, our customers gain access to one or more licensed Providers, including physicians, physician assistants, nurse practitioners, and behavioral health providers for telehealth consultations conducted by video, phone, and/or store-and-forward technology. These Providers are employed by or contracted with Affiliated Medical Groups. We enter into certain contractual arrangements with the Affiliated Medical Groups and their provider owners, including an administrative services agreement with each Affiliated Medical Group for the exclusive provision by us of non-clinical services and support for the Affiliated Medical Groups. While we expect that these relationships with the Affiliated Medical Groups will continue, we cannot guarantee that they will. We believe that our arrangements with the Affiliated Medical Groups have been structured to comply with applicable law and allow the Providers the ability to maintain exclusive authority regarding the provision of clinical healthcare services (including consults that may lead to the writing of prescriptions), but there can be no assurance that government entities or courts would find our approach to be consistent with their interpretation of, and enforcement activities or initiatives related to, these laws and the corporate practice of medicine doctrine or similar prohibitions. If our arrangements are deemed to be inconsistent with any applicable government entity's interpretation of a law or regulation prohibiting the corporate practice of medicine, a fee-splitting law, or similar regulatory prohibitions, we would need to restructure the arrangements with the Affiliated Medical Groups to create a compliant arrangement or terminate the arrangement, and we could face fines or other penalties in connection with such arrangements. A material change in our relationships with the Affiliated Medical Groups, whether resulting from a dispute, a change in government regulation or enforcement patterns, a determination of non-compliance, or the loss of these agreements or business relationships, could impair our ability to provide products and services to our customers and could have a material adverse effect our business, financial condition and results of operations. Violations of the prohibition on corporate practice of medicine doctrine, fee-splitting, or similar laws may impose penalties (e.g., fines or license suspension) on Providers, which could discourage professionals from entering into arrangements with the Affiliated Medical Groups and using our platform and could result in lawsuits by Providers against the Affiliated Medical Groups and us. These laws and regulations are subject to change and enforcement based upon political, regulatory, and other influences. More restrictive treatment of healthcare professionals' relationships with non-professionals such as our company in the healthcare services delivery context could have a material adverse effect on our business, financial condition, and results of operations.

If the Affiliated Medical Groups are unable to attract and retain high-quality Providers to perform services on our platform, or if we are unable to develop or maintain satisfactory relationships with these Providers or the Affiliated Medical Groups, our business, financial condition, and results of operations may be materially and adversely affected.

Our success depends on our continued ability to maintain customer access to a network of qualified Providers, which includes medical doctors, physician assistants, nurse practitioners, and licensed behavioral health providers. If the Affiliated Medical Groups are unable to recruit and retain licensed physicians and other qualified Providers to perform services on our platform, it could have a material adverse effect on our business and ability to grow and could adversely affect our results of operations. In any particular market, Providers could demand higher payments from the Affiliated Medical Groups or take other actions that could result in higher medical costs, less attractive service for our customers, or difficulty meeting regulatory requirements. Our ability to develop and maintain satisfactory relationships with Providers and the Affiliated Medical Groups also may be negatively impacted by other factors not associated with us, such as pressures on Providers, consolidation activity among hospitals, physician groups, and other healthcare providers, changes in the patterns of delivery and payment for healthcare

services, and any perceived liability risks associated with the use of telehealth. The failure to maintain or to secure new cost-effective arrangements with the Affiliated Medical Groups that engage the Providers on our platform may result in a loss of, or inability to grow, our customer base, higher costs, less attractive service for our customers and/or difficulty in meeting regulatory requirements, any of which could have a material adverse effect on our business, financial condition, and results of operations.

The activities and quality of Providers treating our customers and pharmacies performing fulfillment and distribution, including any potentially unethical or illegal practices, could damage our brand, subject us to liability, and harm our business and financial results.

Our business entails the risk of professional liability claims against the Affiliated Medical Groups, the Providers they engage on our platform, our Partner Pharmacies, our Affiliated Pharmacies, and us. Although we carry insurance covering medical malpractice claims in amounts that we believe are appropriate in light of the risks attendant to our business, successful professional liability or other claims could result in substantial damage awards that exceed the limits of our insurance coverage. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand the scope of our services and the number of conditions for which we provide access to treatment. As a result, adequate professional liability insurance may not be available to the Affiliated Medical Groups, the Providers, our Affiliated Pharmacies, our Partner Pharmacies, or to us in the future at acceptable costs or at all.

Any claims made against us, our Partner Pharmacies, our Affiliated Pharmacies, the Affiliated Medical Groups, and/or the Providers that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us, and divert the attention of our management, our Partner Pharmacies, our Affiliated Pharmacies, Affiliated Medical Groups, and/or Providers from their respective operations, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, claims against us, even if covered by insurance, may adversely affect our business, brand, or reputation, and divert the attention of our management, our Partner Pharmacies, our Affiliated Pharmacies, Affiliated Medical Groups, and/or Providers. If our customers have negative experiences on our platform as a result of the activities or quality of Providers, including any allegations of potentially unethical or illegal practices, such negative experiences could subject us to liability and negatively affect our brand, our ability to attract new customers, and our ability to retain existing customers.

Any failure to offer high-quality support may adversely affect our relationships with customers and Providers, and in turn our business, financial condition, and results of operations.

In using our platform, our customers depend on our customer support to resolve issues in a timely manner. We may be unable to respond quickly enough to accommodate short-term increases in demand for customer support. We also may be unable to modify the nature, scope, and delivery of our offerings or customer support to compete with changes in solutions provided by our competitors. Increased customer demand for support could increase costs and adversely affect our business, financial condition, and results of operations. Our revenue is highly dependent on our reputation and on positive recommendations from our customers, the Providers on our platform, and partners. Any failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could adversely affect our reputation, our ability to sell the offerings on our platform, and in turn our business, financial condition, and results of operations.

Our business could be adversely affected if Providers were classified as employees of the Affiliated Medical Groups instead of independent contractors.

The Affiliated Medical Groups typically engage Providers that perform services through our platform as independent contractors. The Affiliated Medical Groups believe that the Providers are independent contractors because, among other things, they can choose whether, when, and where to provide services on our platform and are free to provide services on our competitors' platforms. Nevertheless, recent legislative and judicial activity have in some jurisdictions created more restrictive standards or enforcement uncertainty with respect to the classification of workers within certain industries. The Affiliated Medical Groups may not be successful in defending the independent contractor status of Providers in some or all jurisdictions in which we and/or they operate. Furthermore, the costs associated with defending, settling, or resolving pending and future lawsuits (including demands for arbitration) relating to the independent contractor status of Providers could be material to the Affiliated Medical Groups. Foreign, state, and local laws governing the definition or classification of independent contractors, or changes thereto, or judicial decisions regarding independent contractor classification, could require classification of

Providers as employees (or workers or quasi-employees where those statuses exist) of the Affiliated Medical Groups. If the Affiliated Medical Groups are required to classify Providers as employees (or as workers or quasi-employees where applicable), it could result in significant additional expenses, potentially including expenses associated with the application of wage and hour laws (including minimum wage, overtime, and meal and rest period requirements), employee benefits, social security contributions, taxes, and penalties. Further, any such reclassification could add significant complexity to our business model and could force us to have to modify or renegotiate our relationships with the Affiliated Medical Groups, which may not be possible on mutually agreeable terms, and could have an adverse effect on our business, financial condition, and results of operations.

Acquisitions and investments could result in operating difficulties, dilution, and other harmful consequences that may adversely impact our business, financial condition, and results of operations. Additionally, if we are not able to identify and successfully acquire suitable businesses, our results of operations and prospects could be harmed.

We have made, and may in the future make, acquisitions to add employees, complementary companies, products, solutions, technologies, and/or revenue. These transactions could be material to our results of operations and financial condition. We also expect to continue to evaluate and enter into discussions regarding a wide array of potential strategic transactions in the United States as well as in international markets. The identification of suitable acquisition candidates can be difficult, time-consuming, and costly, and we may not be able to complete acquisitions on favorable terms, if at all. The process of integrating acquired companies, businesses, or technologies has created, and will continue to create, unforeseen operating difficulties and expenditures. The related areas where we face risks include, but are not limited to:

- diversion of management's time and focus from operating our business to addressing acquisition integration challenges;
- loss of key employees of the acquired company and other challenges associated with integrating new employees into our culture, as well as reputational harm if integration is not successful;
- difficulties in integrating and managing the combined operations, technologies, technology platforms, and products of the acquired companies, and realizing the anticipated economic, operational, and other benefits in a timely manner, which could result in substantial costs and delays or other operational, technical, or financial problems;
- regulatory complexities of integrating or managing the combined operations or expanding into other industries or parts of the healthcare industry;
- assumption of contractual obligations that contain terms that are not beneficial to us, require us to license or waive intellectual property rights, or increase our risk for liabilities;
- failure to successfully further develop the acquired technology or realize our intended business strategy;
- uncertainty of entry into markets in which we have limited or no prior experience or in which competitors have stronger market positions;
- unanticipated costs associated with pursuing acquisitions;
- failure to find commercial success with the products or services of the acquired company;
- difficulty of transitioning the acquired technology onto our existing platforms and maintaining the security standards for such technology consistent with our other offerings;
- failure to successfully onboard customers or maintain brand quality of acquired companies;
- responsibility for the liabilities of acquired businesses, including those that were not disclosed to us or exceed our estimates, as well as, without limitation, liabilities arising out of an acquired business' failure to maintain effective data protection and privacy controls and comply with applicable regulations;
- failure to generate the expected financial results related to an acquisition on a timely manner or at all; and
- potential accounting charges to the extent intangibles recorded in connection with an acquisition, such as goodwill, trademarks, client relationships, or intellectual property, are later determined to be impaired and written down in value.

Acquisitions can also result in expenditures of significant cash, dilutive issuances of our equity securities, the incurrence of debt, restrictions on our business, contingent liabilities, amortization expenses, or impairments of goodwill, any of which could harm our financial condition. In addition, any acquisitions we announce could be viewed negatively by customers, Providers, partners, suppliers, or investors.

Additionally, competition within our industry for acquisitions of businesses, technologies and assets may become intense. Even if we are able to identify an acquisition that we would like to consummate, we may not be able to complete the acquisition on commercially reasonable terms or the target may be acquired by another company. We may enter into negotiations for acquisitions that are not ultimately consummated. Those negotiations could result in diversion of management's time and significant out-of-pocket costs. If we fail to evaluate and execute acquisitions successfully, we may not be able to realize the benefits of these acquisitions, and our results of operations could be harmed. If we are unable to successfully address any of these risks, our business, financial condition, or results of operations could be harmed.

Expansion into international markets is important for our long-term growth, and as we expand internationally, we will face additional business, political, legal, regulatory, operational, financial, and economic risks, any of which could increase our costs and hinder such growth.

Expanding our business to attract customers, Providers, and suppliers in countries other than the United States is an element of our long-term business strategy. An important part of targeting international markets is increasing our brand awareness and establishing relationships with partners internationally. Conducting business internationally involves a number of risks, including:

- uncertain legal and regulatory requirements applicable to telehealth and prescription medication;
- our inability to replicate our domestic business structure consistently outside of the United States, especially as it relates to our contractual arrangement with affiliated professional entities;
- multiple, conflicting and changing laws and regulations such as tax laws, privacy and data protection laws and regulations including the use of big data analytics and artificial intelligence, export and import restrictions, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- obtaining regulatory approvals or clearances where required for the sale of our offerings, products, and services in various countries;
- requirements to maintain data and the processing of that data on servers located within the United States or in other countries;
- protecting and enforcing our intellectual property rights;
- logistics and regulations associated with prescribing medicine online and engaging with Partner Pharmacies to ship the prescribed medication;
- natural disasters, political and economic instability, including wars, terrorism, social or political unrest, including civil unrest, protests, and other public demonstrations, outbreaks of disease, pandemics or epidemics, boycotts, curtailment of trade, and other market restrictions; and
- regulatory and compliance risks that relate to maintaining accurate information and control over activities subject to regulation under the U.S. Foreign Corrupt Practices Act (the "FCPA"), and comparable laws and regulations in other countries.

Our ability to continue to expand our business and to attract talented employees, customers, Providers, partners, and suppliers in various international markets will require considerable management attention and resources and is subject to the particular challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute resolution systems, regulatory systems, and commercial infrastructures. Entering new international markets will be expensive, our ability to successfully gain market acceptance in any particular market is uncertain, and the distraction of our senior management team to focus on international expansion could harm our business, financial condition, and results of operations.

Economic uncertainty or downturns, particularly as it impacts particular industries, could adversely affect our business, financial condition, and results of operations.

In recent years, the United States and other significant markets have experienced cyclical downturns and worldwide economic conditions remain uncertain, particularly as a result of inflation and related market and macroeconomic responses the ongoing conflict arising out of the Russian invasion of Ukraine, and the hostilities and conflict in the Middle East. Economic uncertainty and associated macroeconomic conditions, including geopolitical tensions, inflation, trade and supply chain issues and the availability and cost of credit in the United States and other countries have contributed to increased market volatility or market declines, make it extremely difficult for our partners, suppliers, and us to accurately forecast and plan future business activities,

could cause our customers to slow spending on our offerings, and could limit the ability of our Partner Pharmacies and our Affiliated Pharmacies to purchase sufficient quantities of pharmaceutical products from suppliers, which could adversely affect our ability to fulfill customer orders and attract new Providers.

A significant downturn in the domestic or global economy may cause our customers to pause, delay, or cancel spending on our platform or seek to lower their costs by exploring alternative providers or our competitors. To the extent purchases of our offerings are perceived by customers and potential customers as discretionary, our revenue may be disproportionately affected by delays or reductions in general health and wellness spending. Also, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our customers.

We cannot predict the timing, strength, or duration of any economic slowdown or recession, or any subsequent recovery generally, or any industry in particular. If the conditions in the general economy and the markets in which we operate worsen from present levels, our business, financial condition, and results of operations could be materially adversely affected.

The COVID-19 pandemic increased interest in and consumer use of telehealth solutions, including our platform, and we cannot guarantee that this increased interest will continue.

The global COVID-19 pandemic and measures introduced by local, state, federal, and international jurisdictions to contain the virus and mitigate its public health effects have significantly impacted and may continue to significantly impact our industry and the global economy, and the ultimate and durable changes in government and consumer behavior resulting from the pandemic are still unknown and evolving.

The response to COVID-19 contributed to a steep increase in the use of telehealth across the industry, in part due to governmental waivers of statutory and regulatory restrictions that have historically limited how telehealth may be used in delivering care in certain jurisdictions. We do not know whether all of these regulatory changes will be permanent, or how long certain changes will remain in place. There has been renewed focus on telehealth among legislatures and regulators due to COVID-19 and the expanded use of telehealth that could result in regulatory changes inconsistent with or that place additional restrictions on our current business model or operations in certain jurisdictions. If consumer adoption of telehealth generally or our platform in particular materially decreases as the COVID-19 restrictions continue to be and remain lifted, or if reevaluation of existing laws in light of COVID-19 and its ongoing effects results in regulatory changes that limit our current activities, our industry, business, and results of operations could be adversely affected.

If we are unable to deliver a rewarding experience on mobile devices, whether through our mobile website or our mobile applications, we may be unable to attract and retain customers.

We believe that current and prospective customers are increasingly interested in accessing telehealth offerings through mobile devices. Developing and supporting our mobile websites and mobile applications across multiple operating systems and devices requires substantial time and resources. Despite devoting significant time and resources to developing mobile solutions, we may not be able to develop mobile solutions that meet the needs of our customers or consistently provide a rewarding customer experience. As a result, our ability to attract new customers could be impaired and customers we meet through our mobile websites or mobile applications may not choose to use our offerings at the same rate as customers we meet through our websites.

As new mobile devices and mobile operating systems are released, we may encounter problems in developing or supporting our mobile websites or mobile applications for them. Developing or supporting our mobile website or mobile applications for new devices and their operating systems may require substantial time and resources. The success of our mobile websites and mobile applications could also be harmed by factors outside of our control, such as:

- increased costs to develop, distribute, or maintain our mobile websites or mobile applications;
- changes to the terms of service or requirements of a mobile application store that requires us to change our mobile application development or features in an adverse manner; and
- changes in mobile operating systems, such as Apple's iOS and Google's Android, that disproportionately affect us, degrade the functionality of our mobile websites or mobile applications, require that we make costly upgrades to our technology offerings, or give preferential treatment to competitors' websites or mobile applications.

If our customers experience difficulty accessing or using, or if they elect not to use, our mobile websites or mobile applications, our business and results of operations may be adversely affected.

Our business depends on continued and unimpeded access to the internet and mobile networks.

Our ability to deliver our internet-based and mobile application-based services depends on the development and maintenance of the infrastructure of the internet by third parties. This includes maintenance of a reliable network backbone with the necessary speed, data capacity, bandwidth capacity, and security. Our services are designed to operate without interruption. However, we may experience future interruptions and delays in services and availability from time to time. In the event of a catastrophic event with respect to one or more of our systems or those of our service providers, we may experience an extended period of system unavailability, which could negatively impact our relationship with customers, Providers, partners, and suppliers. To operate without interruption, both we and our service providers must guard against:

- damage from power loss, natural disasters (such as earthquakes, fires, floods, tsunamis and other extreme weather), and other force majeure events outside our control;
- communications failures;
- software and hardware errors, failures, and crashes;
- security breaches, computer viruses, hacking, denial-of-service attacks, and similar disruptive problems; and
- other potential interruptions.

We also rely on software licensed from third parties in order to offer our services. These licenses are generally commercially available on varying terms. However, it is possible that this software may not continue to be available on commercially reasonable terms, or at all. Any loss of the right to use any of this software could result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated. Furthermore, our use of additional or alternative third-party software would require us to enter into license agreements with third parties, and integration of our software with new third-party software may require significant work and require substantial investment of our time and resources. Also, any undetected errors or defects in third-party software could prevent the deployment or impair the functionality of our software, delay new updates or enhancements to our solution, result in a failure of our solution, and injure our reputation. The occurrence of any of the foregoing events could have an adverse impact on our business, financial condition, and results of operations.

Any disruption of service at Amazon Web Services, Partner Pharmacies, or other third-party service providers could interrupt access to our platform or delay our customers' ability to seek treatment.

We currently host our platform, serve our customers and support our operations in the United States using Amazon Web Services ("AWS"), a provider of cloud infrastructure services, and through Partner Pharmacies and other third-party service providers, including shipping providers and contract manufacturers. We do not have control over the operations of the facilities of AWS, Partner Pharmacies, or other third-party service providers. Such facilities are vulnerable to damage or interruption from earthquakes, hurricanes, floods, fires, cyber security attacks, terrorist attacks, power losses, telecommunications failures, and similar events. The occurrence of any such event, a decision to close the facilities without adequate notice, or other unanticipated problems could result in lengthy interruptions in our ability to generate revenue through customer purchases on the platform. The facilities also could be subject to break-ins, computer viruses, sabotage, intentional acts of vandalism, and other misconduct. Our platform's continuing and uninterrupted performance is critical to our success. Because our platform is used by our customers to engage with Providers who can diagnose, manage, and treat medical conditions, and pharmacies that can fulfill and ship prescription medication, it is critical that our platform be accessible without interruption or degradation of performance. Customers may become dissatisfied by any system failure that interrupts our ability to provide our platform or access to the products and services offered through our platform to them. Outages and pharmacy closures could lead to claims of damages from our customers, Providers on our platform, partners, suppliers, and others. We may not be able to easily switch our AWS operations to another cloud provider if there are disruptions or interference with our use of AWS. Sustained or repeated system failures could reduce the attractiveness of our offerings to customers and result in contract terminations, thereby reducing revenue. Moreover, negative publicity arising from these types of disruptions could damage our reputation and may adversely impact use of our platform. We may not carry sufficient business interruption insurance to compensate us for losses that may occur as a result of any events that cause interruptions in our platform. Thus, any such disruptions could have an adverse effect on our business and results of operations.

None of our call centers, Partner Pharmacies, shipping providers, contract manufacturers, nor AWS have an obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with these third-

party service providers on commercially reasonable terms, if our agreements with these providers are prematurely terminated, or if in the future we add additional data, call center, or pharmacy providers, we may experience costs or downtime in connection with the transfer to, or the addition of, such new providers. If these third-party service providers were to increase the cost of their services, we may have to increase the price of our offerings, and our results of operations may be adversely impacted.

We depend on a number of other companies to perform functions critical to our ability to operate our platform, generate revenue from customers, and to perform many of the related functions.

We depend on the Affiliated Medical Groups and their Providers to deliver quality healthcare consultations and services through our platform, and the Partner Pharmacies and Affiliated Pharmacies to provide efficient fulfillment and distribution of prescription medication. Any interruption in the availability of a sufficient number of Providers or supply from our Partner Pharmacies or Affiliated Pharmacies could materially and adversely affect our ability to satisfy our customers and ensure they receive consultation services and any medication that they have been prescribed. If we were to lose our relationship with one of the Affiliated Medical Groups, we cannot guarantee that we will be able to ensure access to a sufficient network of Providers. Similarly, if we were to lose our relationship with one of our Affiliated Pharmacies or Partner Pharmacies, are unable to obtain access for customers to low cost pharmaceutical products through our Partner Pharmacies or Affiliated Pharmacies, or one of the Affiliated Pharmacies or Partner Pharmacies was subject to regulatory or legal enforcement, we cannot guarantee that we will be able to find, perform due diligence on, and engage with one or more replacement partners in a timely manner. Our ability to service customer requirements could be materially impaired or interrupted in the event that our relationship with an Affiliated Medical Group, Affiliated Pharmacy or Partner Pharmacy is terminated, or any Affiliated Medical Group, Affiliated Pharmacy, or Partner Pharmacy experiences a disruption in operations, including as the result of regulatory or legal enforcement. We also depend on cloud infrastructure providers, payment processors, suppliers of non-prescription products and packaging, and various others that allow our platform to function effectively and serve the needs of our customers. Difficulties with our significant partners and suppliers, regardless of the reason, could have a material adverse effect on our business.

Disruption in our global supply chain and changes to tax or trade policy could negatively impact our business.

The products we sell on our platform and through retailers are sourced from a wide variety of domestic and international vendors, and any future disruption in our supply chain or inability to find qualified vendors and access products that meet requisite quality and safety standards in a timely and efficient manner could adversely impact our business. While we have not experienced material supply chain issues to date, the loss or disruption of such supply arrangements for any reason, including as a result of ongoing conflict arising out of the Russian invasion of Ukraine and the hostilities and conflict in the Middle East, other acts of war or terrorism, trade sanctions, inflation, health epidemics or pandemics, labor disputes, loss or impairment of key manufacturing sites, inability to procure sufficient raw materials, quality control issues, ethical sourcing issues, a supplier's financial distress, natural disasters, looting or other external factors over which we have no control, could interrupt product supply and, if not effectively managed and remedied, have a material adverse impact on our business, results of operations and financial condition.

Additionally, any major changes in tax or trade policy, such as the imposition of additional tariffs or duties on imported products, or trade sanctions, between the U.S. and countries from which we source merchandise, directly or indirectly, could require us to take certain actions, such as raising prices on our offerings or seeking alternative sources of supply from vendors with whom we have less familiarity, which could adversely affect our reputation, revenue, and our results of operations.

Our pharmacy business subjects us to additional healthcare laws and regulations beyond those we face with our core telehealth business, and increases the complexity and extent of our compliance and regulatory obligations.

A majority of the fulfillment and distribution of products available through our platform is done by our Affiliated Pharmacies. While the Affiliated Pharmacies operate exclusively in support of our business, similar to the Affiliated Medical Groups, we do not directly own the Affiliated Pharmacies due to state-based regulatory considerations. Many states require advance notice and approval by the state's board of pharmacy with respect to changes in ownership. These requirements could result in delays to an

Affiliated Pharmacy obtaining licensure in a given jurisdiction or disruptions to our business in the event of a change of control with respect to an Affiliated Pharmacy, which could adversely affect our revenue or results of operations.

The operation of our Affiliated Pharmacies also subjects us to extensive federal, state, and local regulation. Pharmacies, pharmacists, and pharmacy technicians are subject to a variety of federal and state statutes and regulations governing various aspects of the pharmacy business, including the distribution of drugs; operation of mail order pharmacies; licensure of facilities and professionals, including pharmacists, technicians, and other healthcare professionals; compounding of prescription medications; packaging, storing, distributing, shipping, and tracking of pharmaceuticals; repackaging of drug products; labeling, medication guides, and other consumer disclosures; interactions with prescribing professionals; counseling of patients; prescription transfers; advertisement of prescription products and pharmacy services; security; and reporting to the U.S. Food and Drug Administration (the "FDA"), state boards of pharmacy, the U.S. Consumer Product Safety Commission, and other state enforcement or regulatory agencies. Many states have laws and regulations requiring out-of-state mail-order pharmacies to register with that state's board of pharmacy. In addition, the FDA inspects facilities in connection with procedures to effect recalls of prescription drugs. The Federal Trade Commission also has requirements for mail-order sellers of goods. The U.S. Postal Service (the "USPS") has statutory authority to restrict the transmission of drugs and medicines through the mail to a degree that may have an adverse effect on our mail-order operations. The USPS historically has exercised this statutory authority only with respect to controlled substances. However, if the USPS restricts our ability to deliver drugs through the mail, alternative means of delivery are available to us, though such alternative means of delivery could be significantly more expensive. The U.S. Department of Transportation has regulatory authority to impose restrictions on drugs inserted into the stream of commerce. These regulations generally do not apply to the USPS and its operations. Failure to successfully expand our capabilities, the loss, suspension or other limitation of any license held by an Affiliated Pharmacy, or any failure or perceived failure by us or our Affiliated Pharmacies to comply with any applicable federal, state, or local law or regulation could have a material adverse effect on our business, financial condition, and results of operations and may expose us to civil and criminal penalties.

Our payments system depends on third-party service providers and is subject to evolving laws and regulations.

We engage third-party service providers to perform underlying card processing, currency exchange, and identity verification for our payments system. If these service providers do not perform adequately or if our relationships with these service providers were to terminate, our ability to accept orders through our platform could be adversely affected and our business could be harmed. In addition, incorrect identity verification data with respect to our current or potential customers received from third-party service providers, including as a result of an individual customer providing untruthful or inaccurate information, has in the past and may in the future result in us inadvertently allowing access to our offerings, including treatments and medications, to individuals who should not be permitted to access them, or otherwise inadvertently denying access to individuals who should be able to access our offerings, in each case based on inaccurate identity determination. These risks may subject us to disciplinary action, fines, lawsuits, and our reputation, business, financial condition and results of operations could be adversely affected. Further, if any of these third-party service providers increase the fees they charge us, our operating expenses could increase and if we respond by increasing the fees we charge to our customers, we could lose some of our customers.

The laws and regulations related to payments are complex and vary across different jurisdictions in the United States and globally. As a result, we are required to spend significant time and effort to comply with those laws and regulations. Any failure or claim of our failure to comply, or any failure by our third-party service providers to comply, could cost us substantial resources, could result in liabilities, or could force us to stop offering third-party payment systems. As we expand the availability of payments via third parties or offer new payment methods to our customers in the future, we may become subject to additional regulations and compliance requirements.

Further, through our agreement with our third-party credit card processor, we are indirectly subject to payment card association operating rules and certification requirements, including the Payment Card Industry Data Security Standard. We are also subject to rules governing electronic funds transfers. Any change in these rules and requirements could make it difficult or impossible for us to comply. Any such difficulties or failures with respect to the payment systems we utilize may have an adverse effect on our business.

Our pricing decisions may adversely affect our ability to attract new customers, Providers, and other partners, or may otherwise impact our revenue and profitability.

We have limited experience determining the optimal prices for our offerings. As competitors introduce new solutions that compete with our offerings, especially in the telehealth market where we face significant competition, we may be unable to attract new customers, Providers, or other partners at the same price or based on the same pricing models as we have used historically. Pricing decisions may also impact the mix of adoption among the products and services that we make available and negatively impact our overall revenue. As a result, in the future we may adjust our prices to offer more options for our customers or for other strategic reasons. Any pricing decisions including those mentioned above could adversely affect our financial position, including our revenue, gross profit, profitability, and cash flows.

Our success depends on the continuing and collaborative efforts of our management team, and our business may be severely disrupted if we lose their services.

Our success depends largely upon the continued services of our key executive officers. These executive officers are at-will employees and therefore they may terminate employment with us at any time with no advance notice. We rely on our leadership team in the areas of marketing, legal and regulatory compliance, telehealth, operations, finance, public policy and government relations, people operations, investor relations, communications, and other general and administrative functions. From time to time, there have been and may in the future be changes in our executive management team resulting from the hiring or departure of executives, which could disrupt our business. The replacement of one or more of our executive officers or other key employees would likely involve significant time and costs and may significantly delay or prevent the achievement of our business objectives.

We depend on our talent to grow and operate our business, and if we are unable to hire, integrate, develop, motivate, and retain our personnel, we may not be able to grow effectively.

Our success depends in large part on our ability to attract and retain high-quality management in marketing, engineering, operations, healthcare, regulatory, legal, finance, accounting, and support functions. Competition for qualified employees is intense in our industry, and the loss of even a few qualified employees, or an inability to attract, retain, and motivate additional highly skilled employees required for the planned expansion of our business could harm our results of operations and impair our ability to grow. To attract and retain key personnel, we use various measures, including an equity incentive program for key executive officers and other employees. These measures may not be enough to attract and retain the personnel we require to operate our business effectively.

As we continue to grow, we may be unable to continue to attract or retain the personnel we need to maintain our competitive position. In addition to hiring new employees, we must continue to focus on retaining our best talent. Competition for these resources, particularly for engineers with expertise in areas like programming, machine learning and artificial intelligence, is intense.

We may need to invest significant amounts of cash and equity to attract new and existing employees and we may never realize returns on these investments. If we are not able to effectively increase and retain our talent, our ability to achieve our strategic objectives will be adversely impacted, and our business will be harmed. The loss of one or more of our key employees, and any failure to have in place and execute an effective succession plan for key employees, could seriously harm our business. Employees may be more likely to leave us if the shares of our capital stock they own or the shares of our capital stock underlying their equity incentive awards have significantly changed in value.

We also have a remote-first policy that permits most of our employees to work remotely should their particular positions allow. While we believe that most of our non-fulfillment operations can be performed remotely, there is no guarantee that we will be as effective while working remotely because our team is dispersed and many employees may have additional personal needs to attend to or distractions in their remote work environment. To the extent our current or future remote work policies result in decreased productivity, harm our company culture, or otherwise negatively affect our business, our financial condition and results of operations could be adversely affected.

A significant portion of our inventory is stored in our Ohio facility, and we also hold inventory at our Apostrophe Pharmacy facility, and any damage or disruption at either facility may harm our business.

Our Ohio facility and Apostrophe Pharmacy collectively have a significant portion of our inventory located at their facilities. A natural disaster, fire, power interruption, work stoppage, or other calamity at either of these facilities would significantly disrupt our ability to deliver our products and operate our business. If any material amount of our facility, machinery, or inventory were damaged or unusable, we would be unable to meet our obligations to customers and wholesale partners, which could materially adversely affect our business, financial condition, and results of operations.

Risks Related to Governmental Regulation

If we fail to comply with applicable healthcare and other governmental regulations, we could face substantial penalties, our business, financial condition, and results of operations could be adversely affected, and we may be required to restructure our operations.

The healthcare and technology industries are subject to changing political, economic and regulatory influences that may affect companies like ours. During the past several years, the industries in which we operate have been subject to an increase in governmental regulation and subject to potential disruption due to such regulation and legislative initiatives, as well as judicial interpretations thereof. While these regulations may not directly impact us or our offerings in every instance, they have and will affect these industries and may impact customer use of the services we offer on our platform. The healthcare industry in general is also subject to numerous federal, state, and local laws and regulations that carry substantial criminal and civil fines and penalties. Under our current business model, we accept payments only from our customers, and not from any third-party payors, such as government healthcare programs or health insurers. Because of this approach, we are not currently subject to many of the laws and regulations that impact many other participants in healthcare industry. However, if we begin accepting reimbursement from insurance providers or other third parties or if the government asserts broader regulatory control over companies like ours, the complexity of our operations and our compliance obligations will materially increase. Failure to comply with any applicable federal, state and local laws and regulations could have a material adverse effect on our business, financial condition and results of operations.

Even within the narrowed band of applicable healthcare laws and regulations, because of the breadth of these laws and the narrowness of available statutory and regulatory exemptions, it is possible that some of our activities could be subject to challenge under one or more of such laws. Any action brought against us for violations of these laws or regulations, even if successfully defended, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business.

Although we have adopted policies and procedures designed to comply with applicable laws and regulations and conduct internal reviews of our compliance with these laws, our compliance is also subject to governmental review. The growth of our business and sales organization and our future continued expansion outside of the United States may increase the potential of violating these laws or our internal policies and procedures. The risk of our being found in violation of these or other laws and regulations is further increased by the fact that many have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations or those of our Affiliated Pharmacies or Affiliated Medical Groups are found to be in violation of any of the federal, state, and foreign laws described above or any other current or future fraud and abuse or other healthcare laws and regulations that apply to us, we may be subject to penalties, including significant criminal, civil and administrative penalties, damages and fines, disgorgement, additional reporting requirements and oversight, imprisonment for individuals, and exclusion from the ability to participate in government healthcare programs, such as Medicare and Medicaid, as well as contractual damages and reputational harm. We could also be required to curtail or cease our operations. Any of the foregoing consequences could have a material adverse effect on our business and our financial condition.

Our ability to offer access to our products and services internationally is subject to the applicable laws governing the sale of such products and services, including remote care and the practice of medicine in the applicable jurisdiction. Each country's interpretation and enforcement of these laws is evolving and could vary significantly. We cannot provide assurance that we have accurately interpreted each such law and regulation. Moreover, these laws and regulations may change significantly as this

manner of providing products and services evolves. New or revised laws and regulations (or interpretations thereof) could have a material adverse effect on our business, financial condition, and results of operations.

If our business practices are found to violate federal or state anti-kickback, physician self-referral, or false claims laws, we may incur significant penalties and reputational damage that could adversely affect our business.

The healthcare industry is subject to extensive federal and state regulation with respect to kickbacks, physician self-referral arrangements, false claims, and other fraud and abuse issues. For example, the federal anti-kickback law (the "Anti-Kickback Law") prohibits, among other things, knowingly and willfully offering, paying, soliciting, receiving, or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual, or the furnishing, arranging for, or recommending of an item or service that is reimbursable, in whole or in part, by a federal healthcare program. "Remuneration" is broadly defined under the Anti-Kickback Law to include anything of value, such as, for example, cash payments, gifts or gift certificates, discounts, or the furnishing of services, supplies, or equipment. The Anti-Kickback Law is broad, and it prohibits many arrangements and practices that are lawful in businesses outside of the healthcare industry.

The penalties for violating the Anti-Kickback Law can be severe. These sanctions include criminal and civil penalties, imprisonment, and possible exclusion from the federal healthcare programs. Many states have adopted laws similar to the Anti-Kickback Law, and some apply to items and services reimbursable by any payor, including private insurers.

In addition, the federal ban on physician self-referrals, commonly known as the "Stark Law," prohibits, subject to certain exceptions, physician referrals of Medicare patients to an entity providing certain "designated health services" if the physician or an immediate family member of the physician has any financial relationship with the entity. A "financial relationship" is created by an investment interest or a compensation arrangement. Penalties for violating the Stark Law include the return of funds received for all prohibited referrals, fines, civil monetary penalties, and possible exclusion from the federal healthcare programs. In addition to the Stark Law, many states have their own self-referral bans, which may extend to all self-referrals, regardless of the payor.

The federal False Claims Act (the "False Claims Act") generally prohibits anyone from knowingly and willingly presenting, or causing to be presented, any claims for payment for goods or services to third-party payors that are false or fraudulent and generally treat claims generated through kickbacks as false or fraudulent. Penalties for violating the False Claims Act include substantial monetary penalties and fines, the imposition of a corporate integrity agreement and possible exclusion from the federal healthcare programs. Many states have adopted laws similar to the False Claims Act.

Given our current operations and the current state of federal law, none of the Stark Law, the Anti-Kickback Law, or the False Claims Act should apply to our business. If the scope of any of the Anti-Kickback Law, the Stark Law, or the False Claims Act changes or a state analog of any of the Anti-Kickback Law, the Stark Law, or the False Claims Act includes a broader spectrum of activities than the respective federal statute, or if we change our business model to accept payments from third-party payors such as a government program, our failure to comply with such laws, or an allegation that we have not complied, could have a material adverse effect on our business, financial condition, and results of operations.

State-based laws governing kickbacks and physician self-referrals can apply in some cases regardless of whether it is a third-party payor or the customer paying. The interpretation, application, and enforcement of these laws by governmental authorities is a developing area, and there is little precedent to determine how these laws would be applied to companies like ours. Moreover, the safe harbors and exceptions to these laws are often not as well developed as they are at the federal level. Our business practices and marketing activities include certain components that are common among e-commerce and other technology companies, such as the use of social media influencers. While we have structured our business practices and marketing activities in ways that we believe comply with state laws governing kickbacks and physician self-referrals and the policies behind those laws, given the lack of healthcare regulatory precedent specific to these practices, a governmental authority could disagree with our position. If a governmental authority alleged or determined we are not in compliance with these laws, or if new laws or changes to these laws created additional limits on our business practices or marketing activities, we could face fines or other penalties or damages and we may need to modify or terminate certain arrangements, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Legislative and regulatory changes specific to the area of telehealth or pharmacy law may present the Affiliated Medical Groups and/or the Affiliated Pharmacies with additional requirements and state compliance costs, which may create additional operational complexity and increase costs.

The Affiliated Medical Groups and their Providers' ability to provide telehealth services to patients in a particular jurisdiction is dependent upon the laws that govern the provision of remote care, professional practice standards, and healthcare delivery in general in that jurisdiction. Likewise, the ability of the Affiliated Pharmacies to fulfill prescriptions and distribute pharmaceutical products, including compounded pharmaceutical products, is dependent upon the laws that govern licensed pharmacies and the fulfillment and distribution of prescription medication and other pharmaceutical products, which include in some cases requirements relating to telehealth. Laws and regulations governing the provision of telehealth services and the compounding, fulfillment, and/or distribution of pharmaceutical products are evolving at a rapid pace and are subject to changing political, regulatory, and other influences. Some states' regulatory agencies or medical boards may have established rules or interpreted existing rules in a manner that limits or restricts Providers' ability to provide telehealth services or for physicians to supervise nurse practitioners and physician assistants remotely. Additionally, there may be limitations placed on the modality through which telehealth services are delivered. For example, some states specifically require synchronous (or "live") communications and restrict or exclude the use of asynchronous telehealth modalities, which is also known as "store-and-forward" telehealth. However, other states do not distinguish between synchronous and asynchronous telehealth services. Similarly, the FDA as well as certain other regulatory agencies or pharmacy boards have established rules or interpreted existing rules in a manner that limits or restricts the manner in which prescription medications, including compounded products, can be marketed, dispensed, and sold.

Because these are developing areas of law and regulation, we monitor our compliance in every jurisdiction in which we operate. However, we cannot be assured that our or the Affiliated Medical Groups', Providers', or Affiliated Pharmacies' activities and arrangements, if challenged, will be found to be in compliance with the law or that a new or existing law will not be implemented, enforced, or changed in a manner that is unfavorable to our business model. We cannot predict the regulatory landscape for those jurisdictions in which we operate and any significant changes in law, policies, or standards, or the interpretation or enforcement thereof, could occur with little or no notice. The majority of the consultations provided through our platform are asynchronous consultations for customers located in jurisdictions that permit the use of asynchronous telehealth. If there is a change in laws or regulations related to our business, or the interpretation or enforcement thereof, that adversely affects our structure or operations, including greater restrictions on the use of asynchronous telehealth or remote supervision of nurse practitioners or physician assistants, or limitations on the ability to develop or distribute compounded pharmaceutical products, it could have a material adverse effect on our business, financial condition, and results of operations.

Evolving government regulations and enforcement activities may require increased costs or adversely affect our results of operations.

In a regulatory climate that is uncertain, our operations may be subject to direct and indirect adoption, expansion or reinterpretation of various laws and regulations. This risk is especially acute in the healthcare industry given the level of government spending, oversight, and control over the industry as a whole. Compliance with these evolving laws, regulations, and interpretations may require us to change our practices at an indeterminable and possibly significant initial monetary and annual expense. These additional monetary expenditures may increase future overhead, which could have a material adverse effect on our results of operations.

There could be laws and regulations applicable to our business that we have not identified or that, if changed, may be costly to us, and we cannot predict all the ways in which implementation of such laws and regulations may affect us.

In the states in which we operate, we believe we are in material compliance with all applicable material regulations, but, due to the uncertain regulatory environment, certain states or federal agencies may determine that we are in violation of their laws and regulations. If we must remedy such violations, we may be required to modify our business and services in a manner that undermines our platform's attractiveness to customers, we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in certain states are overly burdensome, we may elect to terminate our operations in such states or eliminate certain products or services. In each case, our revenue may decline and our business, financial condition, and results of operations could be adversely affected.

Additionally, the introduction of new products, services or solutions to our platform may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate federal, state, or local licenses or certificates, increasing our security measures and expending additional resources to monitor developments in applicable rules and ensure compliance. The failure to adequately comply with these future laws and regulations may delay or possibly prevent our products or services from being offered to customers, which could have a material adverse effect on our business, financial condition, and results of operations.

Changes in public policy, including those that mandate or enhance healthcare coverage, could have a material adverse effect on our business, operations, and results of operations.

Our mission is to help the world feel great through the power of better health. It is reasonably possible that our business operations and results of operations could be materially adversely affected by public policy changes at the federal, state, or local level, which include mandatory or enhanced healthcare coverage. Such changes may present us with new marketing and other challenges, which may, for example, cause use of our products and services to decrease or make doing business in particular states less attractive. If we fail to adequately respond to such changes, including by implementing effective operational and strategic initiatives, or do not do so as effectively as our competitors, our business, financial condition, and results of operations may be materially adversely affected.

We cannot predict the enactment or content of new legislation and regulations or changes to existing laws or regulations or their enforcement, interpretation or application, or the effect they will have on our business or results of operations, which could be materially adverse. Even if we could predict such matters, we may not be able to reduce or eliminate the potential adverse impact of legislative or enforcement changes that could fundamentally change the dynamics of our industry.

Changes in insurance and healthcare laws, as well as the potential for further healthcare reform legislation and regulation, have created uncertainty in the healthcare industry and could materially affect our business, financial condition, and results of operations.

The Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act, each enacted in March 2010, generally known as the "Health Care Reform Law," significantly expanded health insurance coverage to uninsured Americans and changed the way healthcare is financed by both governmental and private payors. Since then, the Health Care Reform Law has prompted legislative efforts to significantly modify or repeal the Health Care Reform Law, which may impact how the federal government responds to lawsuits challenging the Health Care Reform Law. We cannot predict what further reform proposals, if any, will be adopted, when they may be adopted, or what impact they may have on our business. While we currently only accept payments from customers—not any third parties or insurance providers—if we were to start accepting reimbursement from insurance providers or other third parties in the future, our business model could be impacted by healthcare reform whether or not we begin taking reimbursement or payments from third parties other than customers. If we are required to comply with the Health Care Reform Law and fail to comply or are unable to effectively manage such risks and uncertainties, our financial condition and results of operations could be adversely affected.

The products we sell and our third-party suppliers are subject to FDA regulations and other international, federal, state and local requirements and if we or our third-party suppliers fail to comply with international, federal, state, and local requirements, our ability to fulfill customers' orders through our platform could be impaired.

The products available through our platform, and the third-party suppliers and manufacturers of these products, are subject to extensive regulation by the FDA and international, federal, state and local authorities, including pharmaceuticals, over-the-counter drugs, over-the-counter devices, cosmetics and dietary supplements. These authorities can enforce regulations related to methods and documentation of the testing, production, compounding, control, safety, quality assurance, labeling, packaging, sterilization, storage, shipping, marketing, and sale of products. Government regulations specific to pharmaceuticals are wide ranging and govern, among other things: the ability to bring a pharmaceutical to market, the conditions under which it can be sold, the conditions under which it must be manufactured, and permissible claims that may be made for such product. Failure to meet, or changes to any international, federal, state, or local requirements attendant to the testing, production, distribution, labeling, packaging, handling, sales and marketing, continued safety and/or other aspects of a regulated product, including any changes to the interpretation or enforcement of such requirements, could result in enforcement actions, impede our ability to

provide access to affected products, and have a material adverse effect on our business, financial condition, and results of operations.

We may be subject to fines, penalties, and injunctions if we are determined to be promoting the use of products for unapproved uses or unapproved drugs or if the FDA determined that any of our compounded products do not meet the requirements for exemption under Section 503A of the FDCA.

Certain of the products available through our platform require approval by the FDA and are subject to the limitations placed by the FDA on the approved uses in the product prescribing information. Some of these products are prescribed by Providers on the platform for "off-label" uses (i.e., for a use other than that specifically authorized by the FDA for the medication in question). While Providers are legally permitted to prescribe medications for off-label uses, and although we believe our product promotion is conducted in material compliance with FDA and other regulations, if the FDA determines that our product promotion constitutes promotion of an unapproved use of an approved product or of an unapproved product, the FDA could request that we modify our product promotion or subject us to regulatory and/or legal enforcement actions, including the issuance of a warning letter, injunction, seizure, civil fine, and criminal penalties. It is also possible that other federal, state, or foreign enforcement authorities might take action if they consider the product promotion to constitute promotion of an unapproved use of an approved product or of an unapproved product, which could result in significant fines or penalties under other statutes, such as laws prohibiting false claims for reimbursement.

In addition, certain of the products available through our platform are compounded drug products under Section 503A of the Federal Food, Drug & Cosmetic Act ("FDCA"). While we believe the compounded drug products available through our platform meet the requirements for exemption under Section 503A of the FDCA, if the FDA were to determine that such products do not meet the requirements for exemption, the FDA could subject us, our Affiliated Pharmacies, Partner Pharmacies, Affiliated Medical Groups or Providers to regulatory and/or legal enforcement actions, including the issuance of a warning letter, injunction, seizure, civil fine, and criminal penalties. Other federal, state, or foreign enforcement authorities might also take action against us or the Affiliated Pharmacies, Partner Pharmacies, Affiliated Medical Groups or Providers if they determine that compounded drug products available through our platform do not meet applicable legal or regulatory requirements.

Any regulatory or legal enforcement actions by the FDA or other federal, state, or foreign enforcement authorities against us, our Affiliated Pharmacies, Partner Pharmacies, Affiliated Medial Groups or Providers could harm our reputation and have a material adverse effect on our business, financial condition, and results of operations.

The information that we provide to Providers, customers, and our partners could be inaccurate or incomplete, which could harm our business, financial condition, and results of operations.

We collect and transmit healthcare-related information to and from our customers, Providers on our platform, Affiliated Pharmacies and Partner Pharmacies in connection with the telehealth consultations conducted by the Providers and prescription medication fulfillment by our Affiliated Pharmacies and our Partner Pharmacies, which may be assisted by artificial intelligence tools in certain instances. If the data or suggestions that we provide to our customers, Providers on our platform, Affiliated Pharmacies or Partner Pharmacies, which may be aided by artificial intelligence tools, are incorrect or incomplete or if mistakes are made in the capture or input of such data, our reputation may suffer and we could be subject to claims of liability for resulting damages. While we maintain insurance coverage, this coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. Even unsuccessful claims could result in substantial costs and the diversion of management resources. A claim brought against us that is uninsured or under-insured could harm our business, financial condition, and results of operations.

Our use, disclosure, and other processing of personally identifiable information, including health information, is subject to federal, state, and foreign privacy and security regulations, and our failure to comply with those regulations or to adequately secure the information we hold could result in significant liability or reputational harm and, in turn, a material adverse effect on our customers, the Affiliated Medical Groups and/or their Providers, our revenue, our business, and/or our financial condition.

Numerous state and federal laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of health information and other types of personal data or personally identifiable information ("PII"). We believe that, because of our operating processes, in relation to our customers, we are not a covered

entity or a business associate under the Health Insurance Portability and Accountability Act ("HIPAA"), which establishes a set of national privacy and security standards for the protection of protected health information by health plans, healthcare clearinghouses, and certain healthcare providers, referred to as covered entities, and the business associates with whom such covered entities contract for services. However, to the extent we begin accepting payment from third parties or insurance providers, we may become subject to HIPAA in relation to our customers and could face penalties and fines if we fail to comply with applicable requirements of HIPAA and its implementing regulations. Regardless of whether or not we meet the definition of a covered entity or business associate under HIPAA, we have executed business associate agreements with certain other parties and have assumed obligations that are based upon HIPAA-related requirements.

We have developed and maintain policies and procedures with respect to health information and personal information that we use or disclose in connection with our operations, including the adoption of administrative, physical, and technical safeguards to protect such information. As our business operations continue to develop, including through the launch of new product offerings or the development of new services, we may collect additional sensitive health and personal information from our customers that could create additional compliance obligations and may increase our exposure to compliance and regulatory risks regarding the protection and dissemination of such information.

In addition to HIPAA, numerous other federal, state, and foreign laws and regulations protect the confidentiality, privacy, availability, integrity, and security of health information and other types of PII, including the California Confidentiality of Medical Information Act, and these laws and regulations are rapidly evolving. These laws and regulations in many cases are more restrictive than, and may not be preempted by, HIPAA and its implementing rules, particularly with respect to highly sensitive PII involving behavioral health or sexually transmitted disease. These laws and regulations are often uncertain, contradictory, and subject to changing or differing interpretations, and we expect new laws, rules and regulations regarding privacy, data protection, and information security to be proposed and enacted in the future. This complex, dynamic legal landscape regarding privacy, data protection, information security, and artificial intelligence creates significant compliance issues for us, the Affiliated Medical Groups, the Affiliated Pharmacies, and the Providers, and potentially exposes us to additional expense, adverse publicity, and liability. While we have implemented data privacy and security measures in an effort to comply with applicable laws and regulations relating to privacy and data protection, some health information and other PII or confidential information is transmitted to us by third parties, who may not implement adequate security and privacy measures, and it is possible that laws, rules, and regulations relating to privacy, data protection, or information security may be interpreted and applied in a manner that is inconsistent with our practices or those of third parties who transmit health information and other PII or confidential information to us. If we or these third parties are found to have violated such laws, rules, or regulations, it could result in government-imposed fines, orders requiring that we or these third parties change our or their practices, or criminal charges, which could materially and adversely affect our business. Complying with these various laws and regulations could cause us to incur substantial costs or require us to change our business practices, systems, and compliance procedures in a manner adverse to our business.

We also publish statements to our customers through our privacy policy that describe how we handle health information or other PII. If federal or state regulatory authorities or private litigants consider any portion of these statements to be untrue, we may be subject to claims of deceptive practices, which could lead to significant liabilities and consequences, including, without limitation, costs of responding to investigations, defending against litigation, settling claims, and complying with regulatory or court orders. Any of the foregoing consequences could seriously harm our business and our financial results. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to us may limit customers' use and adoption of, and reduce the overall demand for, our platform. Any of the foregoing consequences could have a material adverse impact on our business and our financial results.

Public scrutiny of internet privacy and security issues may result in increased regulation and different industry standards, which could deter or prevent us from providing services to our customers, thereby harming our business.

The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain in flux for the foreseeable future, including the intersection of such issues with the integration of artificial intelligence. Various government and consumer agencies have also called for new regulation and changes in industry practices. Practices regarding the registration, collection, processing, storage, sharing, disclosure, use, and security of personal and other information by companies offering an online service like our platform have recently come under increased public scrutiny.

For example, the California Consumer Privacy Act and the California Privacy Rights Act require, among other things, covered companies to provide new disclosures to California consumers and afford such consumers new abilities to opt-out of certain

sales of personal information. Similar legislation has been proposed or adopted in other states. Aspects of these new and emerging state privacy laws and regulations, as well as their interpretation and enforcement, are dynamic and evolving. These laws and regulations each require particular assessment for compliance, and we may be required to modify our practices in an effort to comply with them, which may impact demand for our offerings.

Additionally, under the General Data Protection Regulation ("GDPR"), data protection authorities in the European Union have the power to impose significant administrative fines for violations, which may also lead to damages claims by data controllers and data subjects. The GDPR has been implemented in the United Kingdom as the "UK GDPR" and sits alongside the UK Data Protection Act 2018 which implements certain derogations in the GDPR into UK law. Under the UK GDPR, companies not established in the UK but who process personal data in relation to the offering of goods or services to individuals in the UK, or to monitor their behavior, are subject to the UK GDPR - the requirements of which are (at this time) largely aligned with those under the GDPR and may lead to significant compliance and operational costs. In July 2023, the European Commission adopted an adequacy decision concluding that the United States ensures an adequate level of protection for personal data transferred from the EEA to the United States under the EU-U.S. Data Privacy Framework (followed in October 2023 with the adoption of an adequacy decision in the UK for the UK-United States Data Bridge). However, the adequacy decision does not foreclose, and is likely to face, future legal challenges, and the ongoing legal uncertainty may increase our costs and our ability to efficiently process personal data from the EEA or the UK.

Our business, including our ability to operate and to continue to expand internationally, could be adversely affected if legislation or regulations are adopted, interpreted, or implemented in a manner that is inconsistent with our current business practices and that require changes to these practices, the design of our websites, mobile applications, offerings, or our privacy policies. In particular, the success of our business has been, and we expect will continue to be, driven by our ability to responsibly gather and use data from data subjects. Therefore, our business could be harmed by any significant change to, or actual or perceived non-compliance with, applicable laws or regulations (or the interpretation or enforcement thereof), or industry standards or practices, including regarding the storage, use, disclosure, or other processing of data our customers or the Providers on our platform share with us, or regarding the manner in which the express or implied consent of customers or Providers for such collection, analysis, and disclosure is obtained. Such changes may require us to modify our platform, possibly in a material manner, and may limit our ability to develop new offerings, functionality, or features.

Security breaches, loss of data, and other disruptions could compromise sensitive information related to our business or customers, or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we collect, store, use and disclose sensitive data, including health information and other types of PII. We also process and store, and use additional third parties to process and store, confidential and proprietary information such as intellectual property and other proprietary business information, including that of our customers, the Providers on our platform, and partners. Our customer information is encrypted but not always de-identified. We manage and maintain our platform and data utilizing a combination of managed data center systems and cloud-based computing center systems.

We are highly dependent on information technology networks and systems, including the internet, to securely process, transmit, and store this critical information. Security breaches of this infrastructure, including physical or electronic break-ins, computer viruses, attacks by hackers and similar breaches, and employee or contractor error, negligence or malfeasance, can create system disruptions, shutdowns, or unauthorized disclosure or modifications of information, causing sensitive, confidential or proprietary information to be accessed or acquired without authorization, or to become publicly available. We utilize vendors and other third-party service providers for important aspects of the collection, storage, transmission, and verification of customer information and other confidential, and sensitive information, and therefore rely on third parties to manage functions that have material cybersecurity risks. Because of the nature of the sensitive, confidential, and proprietary information that we and our service providers collect, store, transmit, and otherwise process, the security of our and our vendors' technology platforms and other aspects of our services, including those provided or facilitated by third-party service providers, are important to our operations and business strategy. We take certain administrative, legal, physical, and technological safeguards to address these risks, such as requiring outsourcing subcontractors who handle customer, user, and patient information for us to enter into agreements that contractually obligate those subcontractors to use reasonable efforts to safeguard sensitive, confidential, and proprietary information. Measures taken to protect our systems, those of our vendors or other third-party service providers, or sensitive, confidential, and proprietary information that we or such third-party service providers process or maintain, may not adequately protect us from the risks associated with the collection, storage, and transmission of such information. Certain of our vendors have experienced security breaches in the past, and we expect that other vendors or third-

party service providers will experience such breaches in the future. Although we take steps to help protect sensitive, confidential, and proprietary information from unauthorized access or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses, failures or breaches due to third-party action, employee negligence or error, malfeasance, or other disruptions.

Increased global IT security threats and more sophisticated and targeted computer crime pose a risk to the security of our systems and networks and the confidentiality, availability, and integrity of our data. There have been several recent, highly publicized cases in which organizations of various types and sizes have reported the unauthorized disclosure of customer or other confidential information, as well as cyberattacks involving the dissemination, theft and destruction of corporate information, intellectual property, cash, or other valuable assets. There have also been several highly publicized cases in which hackers have requested "ransom" payments in exchange for not disclosing customer or other confidential information or for not disabling the target company's computer or other systems. A security breach or privacy violation that leads to disclosure or unauthorized use or modification of, or that prevents access to or otherwise impacts the confidentiality, security, or integrity of, sensitive, confidential, or proprietary information we or our vendors or other third-party service providers maintain or otherwise process, could harm our reputation, compel us to comply with breach notification laws, and cause us to incur significant costs for remediation, fines, penalties, notification to individuals and governmental authorities, implementation of measures intended to repair or replace systems or technology, and to prevent future occurrences, potential increases in insurance premiums, and forensic security audits or investigations. As a result, a security breach or privacy violation could result in material increased costs or loss of revenue.

If we are unable to prevent such security breaches or privacy violations or implement satisfactory remedial measures, or if it is perceived that we have been unable to do so, our operations could be disrupted, we may be unable to provide access to our platform, and could suffer a loss of customers or Providers or a decrease in the use of our platform, and we may suffer loss of reputation, adverse impacts on customer, Provider, and partner confidence, financial loss, governmental investigations or other actions, regulatory or contractual penalties, and other claims and liability. In addition, security breaches and other inappropriate access to, or acquisition or processing of, information can be difficult to detect, and any delay in identifying such incidents or in providing any notification of such incidents may lead to increased harm.

Any such breach or interruption of our systems or any of our third-party information technology partners, could compromise our networks or data security processes and sensitive, confidential, or proprietary information could be inaccessible or could be accessed by unauthorized parties, publicly disclosed, lost, or stolen. Any such interruption in access, improper access, disclosure or other loss of such information could result in legal claims or proceedings, liability under laws and regulations that protect the privacy of customer information or other personal information, and regulatory penalties. Unauthorized access, loss or dissemination could also disrupt our operations, including our ability to operate our platform and perform our services, provide customer assistance services, conduct research and development activities, collect, process, and prepare company financial information, provide information about our current and future offerings, and engage in other user and clinician education and outreach efforts. Any such breach could also result in the compromise of our trade secrets and other proprietary information, which could adversely affect our business and competitive position. We may also not be fully indemnified for the costs we may incur as a result of any such breach at one of our vendors or other third-party service providers.

While we maintain insurance covering certain security and privacy damages and claim expenses, we may not carry insurance or maintain coverage sufficient to compensate for all liability and in any event, insurance coverage would not address the reputational damage that could result from a security incident. In addition, cyber liability insurance is expensive and insurance premiums may increase significantly and/or we may have trouble obtaining adequate cyber insurance in the future based upon increasing global IT security threats. Any data privacy or security claims made against us or relating to our business that are not fully covered by insurance could be costly to defend against, result in substantial damage awards against us, and divert the attention of our management, which could have a material adverse effect on our business, financial condition, and results of operations.

Failure to comply with anti-bribery, anti-corruption, and anti-money laundering laws could subject us to penalties and other adverse consequences.

We are subject to the FCPA and other anti-corruption, anti-bribery, and anti-money laundering laws in the jurisdictions in which we do business, both domestic and abroad. These laws generally prohibit us and our employees from improperly influencing government officials or commercial parties in order to obtain or retain business, direct business to any person, or

gain any improper advantage. The FCPA and similar applicable anti-bribery and anti-corruption laws also prohibit our third-party business partners, representatives, and agents from engaging in corruption and bribery. We and our third-party business partners, representatives, and agents may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, channel partners, and agents, even if we do not explicitly authorize such activities. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure that our employees and agents will not take actions in violation of our policies or applicable law, for which we may be ultimately held responsible. Our exposure for violating these laws will increase as we continue to expand internationally and as we commence sales and operations in foreign jurisdictions. Any violation of the FCPA or other applicable anti-bribery, anti-corruption, and anti-money laundering laws could result in whistleblower complaints, adverse media coverage, investigations, imposition of significant legal fees, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, substantial diversion of management's attention, drop in stock price, or overall adverse consequences to our business, all of which may have an adverse effect on our reputation, business, financial condition, and results of operations.

Risks Related to Intellectual Property and Legal Proceedings

Failure to protect or enforce our intellectual property rights could harm our business and results of operations.

Our intellectual property includes the content of our websites, software code, electronic medical records system, mobile applications, unregistered copyrights, trademarks, and trade secrets. We believe that our intellectual property is an essential asset of our business. If we do not adequately protect our intellectual property, our brand and reputation could be harmed and competitors may be able to use our technologies and erode or negate any competitive advantage we may have, which could materially harm our business, negatively affect our position in the marketplace, limit our ability to commercialize our technology, and delay or render impossible our achievement of profitability. A failure to protect our intellectual property in a cost-effective and meaningful manner could have a material adverse effect on our ability to compete. We regard the protection of our trade secrets, copyrights, trademarks, trade dress, databases, and domain names as critical to our success. We strive to protect our intellectual property rights by relying on federal, state, and common law rights and other rights provided under foreign laws. These laws are subject to change at any time and could further restrict our ability to protect or enforce our intellectual property rights. In addition, the existing laws of certain foreign countries in which we operate may not protect our intellectual property rights to the same extent as do the laws of the United States. We also have a practice of entering into confidentiality and invention assignment agreements with our employees and contractors, and often enter into confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. In addition, from time to time we make our technology and other intellectual property available to others under license agreements, including open-source license agreements and trademark licenses under agreements with our partners for the purpose of co-branding or co-marketing our products or services. However, these contractual arrangements and the other steps we have taken to protect our intellectual property rights may not prevent the misappropriation of our proprietary information, infringement of our intellectual property rights, or disclosure of trade secrets and other proprietary information, or deter independent development of similar or competing technologies or duplication of our technologies, and may not provide an adequate remedy in the event of such misappropriation or infringement.

Obtaining and maintaining effective intellectual property rights is expensive, as are the costs of defending our rights. We make business decisions about when to file applications or registrations to protect our intellectual property and rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. We are seeking or may seek to protect certain of our intellectual property rights through filing applications for copyrights, trademarks, and domain names in a number of jurisdictions, a process that is expensive and may not be successful in all jurisdictions. Even where we have intellectual property rights, they may later be found to be unenforceable or have a limited scope of enforceability. In addition, we may not seek to pursue such protection in every jurisdiction. In particular, we believe it is important to maintain, protect, and enhance our brand.

Accordingly, we pursue the registration of domain names and our trademarks and service marks in the United States and in some jurisdictions outside of the United States. We may, over time, increase our investment in protecting innovations through investments in filings, registrations or similar steps to protect our intellectual property, and these processes are expensive and time-consuming.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor and protect these rights. We may not always detect infringement of our intellectual property rights, and defending or enforcing our intellectual property rights, even if successfully detected, prosecuted, enjoined, or remedied, could result in the expenditure of significant financial and managerial resources. Litigation may be necessary to enforce our intellectual property rights, protect our proprietary rights, or determine the validity and scope of proprietary rights claimed by others. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and results of operations. We may also incur significant costs in enforcing our trademarks against those who attempt to imitate our brand and other valuable trademarks and service marks. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims, countersuits, and adversarial proceedings such as oppositions, inter partes review, post-grant review, re-examination, or other post-issuance proceedings, that attack the validity and enforceability of our intellectual property rights. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential or sensitive information could be compromised by disclosure in the event of litigation. In addition, during the course of litigation, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock.

If we fail to maintain, protect, and enhance our intellectual property rights, our business, financial condition, and results of operations may be harmed.

We may in the future be subject to claims that we violated intellectual property rights of others, which are extremely costly to defend and could require us to pay significant damages and limit our ability to operate.

Companies in our industry, and other intellectual property rights holders seeking to profit from royalties in connection with grants of licenses, own large numbers of patents, copyrights, trademarks, and trade secrets, and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In addition, intellectual property rights, including use of an individual's likeness and related trademarks, are a key asset of the celebrity influencers we work with and any use by us of such assets is often heavily negotiated. Our future success depends in part on not infringing upon the intellectual property rights of others. We have in the past and may in the future receive notices that claim we have misappropriated, infringed, or otherwise misused other parties' intellectual property rights. We may be unaware of the intellectual property rights of others that may cover some or all of our technology. Because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover our technology.

Any intellectual property claim against us or parties indemnified by us, regardless of merit, could be time consuming and expensive to settle or litigate and could divert our management's attention and other resources. These claims also could subject us to significant liability for damages and could result in our having to stop using technology, content, branding or business methods found to be in violation of another party's rights. We might be required or may opt to seek a license for rights to intellectual property held by others, which may not be available on commercially reasonable terms, or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, content, branding or business methods, which could require significant effort and expense, be infeasible, or make us less competitive in the market. Such disputes could also disrupt our business, which would adversely impact our customer satisfaction and ability to attract customers. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. If we cannot license or develop technology, content, branding or business methods for any allegedly infringing aspect of our business, we may be unable to compete effectively. Additionally, we may be obligated to indemnify our customers in connection with litigation and to obtain licenses or refund subscription fees, which could further exhaust our resources. In the case of infringement or misappropriation caused by technology that we obtain from third parties, any indemnification or other contractual protections we obtain from such third parties, if any, may be insufficient to cover the liabilities we incur as a result of such infringement or misappropriation. Any of these results could harm our results of operations.

From time to time, we are subject to legal proceedings in the ordinary course of business, which can include intellectual property disputes or claims related to our marketing or sale of products, any of which may be costly to defend and could materially harm our business and results of operations.

From time to time, we are subject to legal proceedings in the ordinary course of business and can face allegations, lawsuits, and regulatory inquiries, audits, and investigations regarding data privacy, security, labor and employment, consumer protection, telehealth, pharmaceuticals, intellectual property infringement, including claims related to privacy, patents, publicity, trademarks, copyrights, and other rights, as well as other areas of law related to our business. Lawsuits, regulatory inquiries, audits, investigations and other legal proceedings can be expensive and disruptive to normal business operations. A portion of the technologies we use incorporates open-source software, and we may face claims claiming ownership of open-source software or patents related to that software, rights to our intellectual property, or breach of open-source license terms, including a demand to release material portions of our source code or otherwise seeking to enforce the terms of the applicable open-source license. We may also face allegations or litigation related to our acquisitions, securities issuances, or business practices, including public disclosures about our business. We offer access to compounded pharmaceutical products that are in some cases compounded, fulfilled, and distributed through our Affiliated Pharmacies, and we, as well as our Affiliated Pharmacies, Affiliated Medical Groups, and Providers, may face allegations, litigation, and regulatory investigations under federal or state laws related to the marketing, fulfillment, distribution, and/or sale of these products. Litigation and regulatory proceedings, and particularly the healthcare, pharmaceutical-related, consumer protection, data privacy and/or class action matters we could face, may be protracted and expensive, and the results are difficult to predict. Certain of these matters may include speculative claims for substantial or indeterminate amounts of damages and include claims for injunctive relief. Additionally, our litigation costs could be significant. Adverse outcomes with respect to litigation or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, require us to modify our platform or business practices or require us to stop offering certain features, products, or services, any of which could negatively impact our acquisition of customers and revenue growth. We may also become subject to periodic audits, which could likely increase our regulatory compliance costs and may require us to change our business practices, which could negatively impact our revenue growth. Managing legal proceedings, including litigation, regulatory inquiries, investigations and audits, even if we achieve favorable outcomes, is time-consuming and diverts management's attention from our business.

The results of legal proceedings, including litigation, regulatory inquiries, investigations and audits cannot be predicted with certainty, and determining reserves for pending litigation and other legal, regulatory, and audit matters requires significant judgment. There can be no assurance that our expectations will prove correct, and even if these matters are resolved in our favor or without significant cash settlements, the time and resources necessary to litigate or resolve them could harm our reputation, business, financial condition, and results of operations.

Changes in accounting rules, assumptions, or judgments could materially and adversely affect us.

Accounting rules and interpretations for certain aspects of our financial reporting are highly complex and involve significant assumptions and judgment. These complexities could lead to a delay in the preparation and dissemination of our financial statements. Furthermore, changes in accounting rules and interpretations or in our accounting assumptions or judgments could significantly impact our financial statements. In some cases, we could be required to apply a new or revised standard retroactively, resulting in restating financial statements from prior periods. Any of these circumstances could have a material adverse effect on our business, prospects, liquidity, financial condition, and results of operations.

We face the risk of product liability claims and may not be able to maintain or obtain insurance.

Our business involves third-party Providers performing medical consultations and prescribing medication to our customers, as well as the fulfillment and distribution of pharmaceuticals, including compounded pharmaceuticals, by our Affiliated Pharmacies and Partner Pharmacies. This activity, as well as the sale of other products on our platform, exposes us to the risk of product liability claims. In addition, the products that we sell could become subject to contamination, product tampering, mislabeling, recall or other damage, and errors in the dispensing and packaging of drugs and consuming drugs in a manner that is not prescribed could lead to serious injury or death. We may be subject to product liability claims if products obtained or prescribed through our platform cause, or merely appear to have caused, an injury. Claims may be made by customers, third-party service providers or manufacturers of products and services we make available. Although we have product liability insurance that we believe is appropriate, this insurance is subject to deductibles and coverage limitations. Our current product liability insurance may not continue to be available to us on acceptable terms, if at all, and, if available, the coverage may not be

adequate to protect us against any future product liability claims. If we are unable to obtain insurance at an acceptable cost or on acceptable terms with adequate coverage or otherwise protect against potential product liability claims, we will be exposed to significant liabilities, which may harm our business. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could result in significant costs and significant harm to our business.

We may be subject to claims against us even if the apparent injury is due to the actions of others or misuse of the prescribed medication or other product. These liabilities could prevent or interfere with our growth and expansion efforts. Defending a suit, regardless of merit, could be costly, could divert management attention, and may result in adverse publicity or result in reduced acceptance of our platform and offerings.

Our business could be disrupted by catastrophic events and man-made problems, such as power disruptions, data security breaches, and terrorism.

Our systems are vulnerable to damage or interruption from the occurrence of any catastrophic event, including climate-related disasters or other extreme weather events such as earthquakes, fires, floods, hurricanes, tornadoes or tsunamis, power loss, telecommunications failure, software or hardware malfunction, cyber-attack, war, terrorist attack, or incident of mass violence, which could result in lengthy interruptions in access to our platform. If a climate-related disaster or other extreme weather event occurred in Arizona (which is prone to extreme weather events including extreme heat, drought and wildfires) or Ohio (which is prone to extreme weather events including extreme temperatures, rain and snow storms, and flooding), which are the locations of our two facilities and our two Affiliated Pharmacies, we could experience fulfillment and distribution delays, among other things, that could have an adverse impact on our results of operations. In addition, acts of war or terrorism, including malicious internet-based activity and supply chain attacks, could cause disruptions to the internet or the economy as a whole. Further, even if our systems are not interrupted or our facilities are not affected from a catastrophic event, catastrophic events have the potential to impact our employees' and service providers' abilities to commute to work (in Ohio or Arizona) or to stay connected effectively while working remotely.

Even with our disaster recovery arrangements, access to our platform could be interrupted. If our systems or those of our vendors or suppliers, including the Affiliated Pharmacies, were to fail or be negatively impacted as a result of a climate-related disaster or other catastrophic event, our ability to deliver our platform to our customers would be impaired or we could lose critical data. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business, financial condition, and results of operations could be harmed. We have implemented a disaster recovery program that allows us to move website and mobile application traffic to a backup site in the event of a catastrophe. This allows us the ability to move traffic in the event of a problem, and the ability to recover in a short period of time. However, to the extent our disaster recovery program does not effectively support the movement of traffic in a timely or complete manner in the event of a catastrophe, our business and results of operations may be harmed.

We do not carry business interruption insurance sufficient to compensate us for the potentially significant losses, including the potential harm to our business, financial condition and results of operations, that may result from interruptions in access to our platform as a result of system failures.

Risks Related to Our Results of Operations and Additional Capital Requirements

We have a history of net losses, we anticipate increasing expenses in the future, and we may not be able to achieve or maintain profitability on a net income basis.

We have incurred net losses on an annual basis since inception. We had an accumulated deficit of $368.2 million as of December 31, 2023. For the three and twelve months ended December 31, 2023, we had net income and a net loss of $1.2 million and $23.5 million, respectively, while achieving profitability of $20.6 million and $49.5 million, respectively, on an Adjusted EBITDA basis. We expect our costs will increase in the foreseeable future and our losses may continue as we expect to invest significant additional funds towards growing our platform, growing our Provider network, growing the capabilities of the Affiliated Pharmacies and enhancing our pharmacy fulfillment system, operating as a public company, and as we continue to invest in increasing our customer base, hiring additional employees, and developing new products and technological capabilities (including our mobile applications) to enhance our customers' experience on our platform. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently

to offset these higher expenses. To date, we have financed our operations principally from the sale of our equity, revenue from our platform, and the incurrence of indebtedness. Our cash flows from operations were negative for the years ended December 31, 2021 and 2022. While we had positive cash flows from operations for the three and twelve months ended December 31, 2023, we may not generate positive cash flows from operations, or maintain profitability on a net income or an Adjusted EBITDA basis in any given period, and our limited operating history may make it difficult to evaluate our current business and our future prospects.

We have encountered and will continue to encounter risks and difficulties frequently experienced by growing companies in rapidly changing and highly regulated industries, including increasing expenses as we continue to grow our business. If we are not able to achieve or maintain positive cash flow in the long term, we may require additional financing, which may not be available on favorable terms or at all and which may be dilutive to our stockholders. If we are unable to successfully address these risks and challenges as we encounter them, our business, results of operations, and financial condition could be adversely affected.

Our results of operations, as well as the performance of our key metrics, may fluctuate on a quarterly and annual basis, which may result in us failing to meet the expectations of industry and securities analysts or our investors.

Our results of operations have in the past, and could in the future, vary significantly from quarter-to-quarter and year-to-year and may fail to match the expectations of securities analysts because of a variety of factors, many of which are outside of our control and, as a result, should not be relied upon as an indicator of future performance. As a result, we may not be able to accurately forecast our results of operations and growth rate. Any of these events could cause the market price of our Class A common stock to fluctuate. Factors that may contribute to the variability of our results of operations include:

- new developments on our platform or in our product offerings;
- our ability to attract and retain customers and Providers to our platform;
- changes in our pricing policies and those of our competitors;
- our ability to execute our plans to add treatment options and Provider expertise for additional medical conditions;
- long-term treatment outcomes of customers on our platform;
- medical, technological, or other innovations in our industry or in connection with specific products that we make available on our platform;
- our ability to maintain relationships with customers, partners, and suppliers;
- our ability to retain key members of our executive leadership team;
- successful expansion of licensure and capabilities of the Affiliated Pharmacies;
- breaches of security or privacy;
- the amount and timing of operating costs and capital expenditures related to the expansion of our business;
- our ability to complete acquisitions on commercially reasonable terms and integrate acquired businesses;
- costs related to litigation, investigations, regulatory enforcement actions, or settlements;
- changes in the legislative or regulatory environment, including with respect to practice of medicine, telehealth, pharmaceuticals or compounding, consumer protection, privacy or data protection, or enforcement by government regulators, including fines, orders, or consent decrees;
- announcements by competitors or other third parties of significant new products or acquisitions or entrance into certain markets;
- our ability to make accurate accounting estimates and appropriately recognize revenue for our platform and offerings for which there are no relevant comparable products;
- seasonality trends in our Wholesale Revenue;
- instability in the financial markets;
- global economic conditions; and
- political, economic, and social instability, including as a result of ongoing conflict arising out of the Russian invasion of Ukraine, the hostilities and conflict in the Middle East, or other war or terrorist activities, and any disruption these events may cause to the global economy.

The impact of one or more of the foregoing and other factors may cause our results of operations to vary significantly. As such, we believe that quarter-to-quarter comparisons of our results of operations may not always be meaningful and should not necessarily be relied upon as an indication of future performance.

We rely significantly on revenue from customers purchasing subscription-based prescription products and services and may not be successful in expanding our offerings.

To date, the vast majority of our revenue has been, and we expect it to continue to be, derived from customers who purchase subscription-based prescription products and services through our platform. In our subscription arrangements, customers select a cadence at which they wish to receive product shipments and services. Any material decline in the use of such offerings could have a pronounced impact on our future revenue and results of operations, particularly if we are unable to expand our offerings overall. The introduction of competing offerings with lower prices for consumers, fluctuations in prescription prices, changes in consumer purchasing habits, including an increase in the use of mail-order prescriptions, changes in the regulatory landscape, and other factors could result in changes to our contracts or a decline in our subscription revenue, which may have an adverse effect on our business, financial condition, and results of operations.

The requirements of being a public company have and may continue to strain our resources, divert management's attention, and may result in litigation.

As a public company, we are subject to the reporting requirements of the Exchange Act, the listing standards of the New York Stock Exchange ("NYSE"), the Sarbanes-Oxley Act, and other applicable securities rules and regulations. Complying with these rules and regulations has increased and will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, and costly, and place significant strain on our personnel, systems, and resources. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations, and financial condition.

In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to continue investing in substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from business operations to compliance activities.

For example, U.S. and international regulators, investors and other stakeholders have increasingly focused on environmental, social, and governance ("ESG") matters in recent years. New domestic and international laws and regulations relating to ESG matters, including climate change, human capital, diversity and sustainability, are under consideration or being adopted, which may include specific, target-driven disclosure requirements or other obligations. Our compliance with such laws and regulations will require additional investments and implementation of new practices and reporting processes, all entailing additional compliance risk. If our efforts to comply with new or existing laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. In addition, pursuant to SEC rules, we are required to make certain cybersecurity disclosures, including related to material cybersecurity incidents and the reasonably likely impact of such an incident. Determining whether a cybersecurity incident is reportable may not be straightforward and any such disclosures could be costly and lead to negative publicity, loss of customer confidence, diversion of management's attention, and government investigations.

Further, in addition to being costly and time-consuming, our ESG-related disclosures may not meet investor expectations or attract additional investments in us, which could result in a decrease in the market price for our Class A common stock.

The rules and regulations applicable to public companies have made it more expensive for us to obtain director and officer liability insurance. These factors could also make it more difficult for us to attract and retain qualified members of our Board of Directors, particularly to serve on our audit committee and compensation committee, and qualified executive officers.

As a result of disclosure of information in filings required of a public company, there may be an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business, results of operations, and financial condition.

We may require additional capital to support business growth, and this capital might not be available on acceptable terms, if at all.

We intend to continue to make investments to support our business growth and may require additional funds to respond to business challenges, including the need to develop new products or services, or enhance our existing platform and associated offerings, enhance our operating infrastructure and acquire complementary businesses and technologies. In order to achieve these objectives, we may make future commitments of capital resources. Accordingly, we may need to engage in equity or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our common stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. The possibility of a significant economic downturn, increased interest rates, or disruptions in the global financial markets may make it more difficult to access available capital and may reduce our ability to secure financing on favorable terms. If we are unable to obtain adequate financing or financing on terms satisfactory to us, when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly limited.

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

The preparation of financial statements in conformity with U.S. GAAP and our key metrics require management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes and amounts reported in our key metrics. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. 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 assumptions and estimates used in preparing our consolidated financial statements include those related to valuation of inventory, valuation and recognition of stock-based compensation expense, valuation of contingent consideration in business combinations, purchase price allocation for business combinations, estimates used in the capitalization of website and mobile application development and internal-use software costs, and judgments relating to impairment triggering events for long-lived assets. 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.

Adverse tax laws or regulations could be enacted or existing laws could be applied to us or our customers, which could subject us to additional tax liability and related interest and penalties, increase the costs of our offerings, and adversely impact our business.

The application of federal, state, local, and international tax laws to services provided electronically is evolving. New income, sales, use, value-added, or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time (possibly with retroactive effect) and could be applied solely or disproportionately to services provided over the internet or could otherwise materially affect our financial position and results of operations.

In addition, state, local, and foreign tax jurisdictions have differing rules and regulations governing sales, use, value-added, and other taxes, and these rules and regulations can be complex and are subject to varying interpretations that may change over time. Existing tax laws, statutes, rules, regulations, or ordinances could be interpreted, changed, modified, or applied adversely to us (possibly with retroactive effect). If we are required to collect and pay back taxes and associated interest and penalties, and if the amount we are required to collect and pay exceeds our estimates and reserves, or if we are unsuccessful in collecting such amounts from our customers, we could incur potentially substantial unplanned expenses, thereby adversely impacting our results of operations and cash flows. Imposition of such taxes on our services going forward or collection of sales tax from our

customers in respect of prior sales could also adversely affect our sales activity and have a negative impact on our results of operations and cash flows.

One or more jurisdictions may seek to impose incremental or new sales, use, value added, or other tax collection obligations on us, including for past sales by us or our retail partners and other partners. A successful assertion by a state, country, or other jurisdiction that we should have been or should be collecting additional sales, use, value added, or other taxes on our solutions could, among other things, result in substantial tax liabilities for past sales, create significant administrative burdens for us, discourage users from utilizing our solutions, or otherwise harm our business, results of operations, and financial condition.

Certain U.S. state tax authorities may assert that we have state nexus and seek to impose state and local income taxes which could harm our results of operations.

There is a risk that tax authorities in certain states where we do not currently file a state income tax return could assert that we are liable for state and local income taxes based upon income or gross receipts allocable to such states. States are becoming increasingly aggressive in asserting nexus for state income tax purposes. If a state tax authority successfully asserts that our activities give rise to a nexus, we could be subject to state and local taxation, including penalties and interest attributable to prior periods. Such tax assessments, penalties, and interest may adversely impact our results of operations.

Risks Related to Ownership of our Securities

Our dual class common stock structure has the effect of concentrating voting power with our Chief Executive Officer and Co-Founder, Andrew Dudum, which limits an investor's ability to influence the outcome of important transactions, including a change in control.

Shares of our Class V common stock have 175 votes per share, while shares of our Class A common stock have one vote per share. Mr. Dudum, our Chief Executive Officer, Co-Founder and Chairman of our Board of Directors, including his affiliates and permitted transferees, hold all of the issued and outstanding shares of Class V common stock. Accordingly, Mr. Dudum holds, directly or indirectly, approximately 90% of the outstanding voting power and will be able to control matters submitted to our stockholders for approval, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. Mr. Dudum may have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale, and might ultimately affect the market price of shares of Class A common stock.

As a "controlled company" within the meaning of NYSE listing standards, we qualify for exemptions from certain corporate governance requirements. We have the opportunity to elect any of the exemptions afforded a controlled company.

Because Mr. Dudum controls more than a majority of our total voting power, we are a "controlled company" within the meaning of NYSE listing standards. Under NYSE Listing Rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a "controlled company" and may elect not to comply with the following NYSE rules regarding corporate governance:

- the requirement that a majority of its board of directors consist of independent directors;
- the requirement to have a nominating and corporate governance committee composed entirely of independent directors and a written charter addressing the committee's purpose and responsibilities;
- the requirement to have a compensation committee composed entirely of independent directors and a written charter addressing the committee's purpose and responsibilities; and
- the requirement of an annual performance evaluation of the nominating and corporate governance and compensation committees.

Currently, seven of our nine directors have been determined by our Board of Directors to be independent. We also have an independent compensation committee in addition to an independent audit committee. We do not have a nominating and corporate governance committee. The typical functions of this committee are addressed by our full Board of Directors. For as long as the "controlled company" exemption is available, our Board of Directors in the future may not consist of a majority of

independent directors and may not have an independent nominating and corporate governance committee or compensation committee. As a result, you may not have the same protections afforded to stockholders of companies that are subject to all of the NYSE rules regarding corporate governance.

Delaware law and our certificate of incorporation and bylaws contain certain provisions, including anti-takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable.

Our certificate of incorporation, bylaws and the Delaware General Corporation Law (the "DGCL") contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our Board of Directors and therefore depress the trading price of our Class A common stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our Board of Directors or taking other corporate actions, including effecting changes in our management. Among other things, our certificate of incorporation and/or bylaws include provisions regarding:

- Class V common stock that is entitled to 175 votes per share;
- the ability of our stockholders to take action by written consent in lieu of a meeting for so long as Mr. Dudum and his affiliates and permitted transferees beneficially own a majority of the voting power of the then-outstanding shares of our capital stock;
- the ability of our Board of Directors to issue shares of preferred stock, including "blank check" preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the limitation of the liability of, and the indemnification of, our directors and officers;
- the requirement that a special meeting of stockholders may be called only by a majority of the entire Board of Directors, the chairperson of the Board of Directors or the Chief Executive Officer which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors;
- controlling the procedures for the conduct and scheduling of Board of Directors and stockholder meetings;
- the ability of our Board of Directors to amend the bylaws, which may allow our Board of Directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the bylaws to facilitate an unsolicited takeover attempt; and
- advance notice procedures with which stockholders must comply to nominate candidates to our Board of Directors or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our Board of Directors, and also may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our Board of Directors or management.

In addition, our certificate of incorporation includes a provision substantially similar to Section 203 of the DGCL, which may prohibit certain stockholders holding 15% or more of our outstanding capital stock from engaging in certain business combinations with us for a specified period of time.

Our certificate of incorporation designates a state or federal court located within the State of Delaware as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders, employees, or agents.

Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, employee, agent, or stockholder, (iii) any action arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws (as either may be amended from time to time), or (iv) any action asserting a claim against us governed

by the internal affairs doctrine. The forgoing provisions will not apply to any claims arising under the Securities Act, and, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act. Notwithstanding the foregoing, the provisions of Article XII of our certificate of incorporation will not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the federal district courts of the United States of America shall be the sole and exclusive forum.

These choice of forum provisions in our certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition.

The market price of our Class A common stock may be volatile.

The market price of our Class A common stock may fluctuate due to a variety of factors, including:

- changes in the industries in which we operate;
- variations in our operating performance and the performance of our competitors in general;
- actual or anticipated fluctuations in our quarterly or annual results of operations;
- publication of research reports by securities analysts about us or our competitors or our industry;
- the public's reaction to our press releases, our other public announcements and our filings with the SEC;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- additions and departures of key personnel;
- changes in laws and regulations, or enforcement thereof, affecting our business;
- commencement of, or involvement in, litigation or governmental action involving us;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- the volume of shares of our Class A common stock available for public sale; and
- general economic and political conditions such as recessions, interest rates, fuel prices, inflation, foreign currency fluctuations, international tariffs, social, political and economic risks, pandemics or epidemics, and acts of war or terrorism or other geopolitical conflicts.

These market and industry factors may materially reduce the market price of our Class A common stock regardless of our operating performance.

The sale or the perception of future sales of a substantial number of shares of our Class A common stock could cause the market price of our Class A common stock to drop significantly, even if our business is doing well.

Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our Class A common stock.

Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the market price and trading volume of our Class A common stock.

Securities research analysts have and may continue to establish and publish their own periodic projections for us. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price

could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, the market price and volume for shares of our Class A common stock could be adversely affected.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Customers, Providers, and vendors trust Hims & Hers to maintain a secure environment in which they can transact healthcare-related activities. This is addressed through a comprehensive set of policies, processes and controls focused on maintaining the confidentiality, integrity, and availability of our sensitive data and intellectual property. We have aligned with the National Institute of Standards and Technology (NIST) Cybersecurity Framework as our adopted security framework and utilize vendor-specific guidance and industry insights to supplement our approach. Cybersecurity risk management is a critical component of our overall enterprise risk management (ERM) program.

We have implemented a comprehensive set of processes for assessing, identifying, and managing material risks from cybersecurity threats. We conduct continuous vulnerability scanning and periodic penetration tests and evaluate key infrastructure and applications for general IT controls through SOX testing and other required regulatory practices. Any observations are ranked by severity and prioritized for response and remediation.

Our cybersecurity risk management extends to risks associated with our use of third-party service providers. We evaluate vendor security through an integrated process with our legal team to assess security and privacy risks to the business. This integrated process helps ensure appropriate contract provisions and complementary controls are in place to protect our and our customers' data. We execute this review process as we onboard a new vendor or renew a contract with an existing vendor, or when there are significant changes in the scope of services provided by the vendor. Key vendors are reassessed on a periodic basis to confirm their control environment remains secure and meets our expectations. Furthermore, starting in 2024, we have enhanced this process to perform annual reviews of key vendors with elevated risks.

Our platform is continuously probed and attacked by malicious actors, and accordingly, the controls and practices utilized by our cybersecurity and technology teams have continued to evolve. We utilize a Security Information and Event Management (SIEM) tool and Security Operations Center (SOC) provider to actively support our ability to monitor, alert, and remediate issues on a continuous basis and to protect the Company from material security breaches or unauthorized access to our environment. Additionally, we employ a dedicated cybersecurity team to closely work with the SOC, key vendors, and internal stakeholders to maintain familiarity with our operations and configure systems to alert on risks to the organization using industry and business insights.

We closely monitor vendor and industry alerts to identify potential vulnerabilities and risks. These various threat and vulnerability alerts allow our cybersecurity team and trusted partners, such as hosting vendors and other critical service providers, to quickly respond to identified risks. Additionally, a periodic NIST-based risk assessment is performed by an independent third party to assist our cybersecurity team in confirming our cybersecurity control environment is in compliance with recognized cybersecurity industry frameworks and standards, as well as identifying any opportunities for enhancement. We also regularly train our employees on cybersecurity awareness, confidential information protection, and phishing attacks.

While we have not experienced any material cybersecurity threats or incidents in recent years, there can be no guarantee that we will not be the subject of future threats or incidents. For a discussion of whether and how any risk from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, see Part I, Item 1A: "Risk Factors," which should be read in conjunction with Part I, Item 1C.

Governance

Our Board of Directors maintains overall oversight of our risk management. The Audit Committee is specifically tasked with reviewing cybersecurity and other information technology risks, controls, and procedures, including our plans to mitigate

cybersecurity risks and to respond to data breaches. The Audit Committee also reviews with management any specific cybersecurity issues that could affect the adequacy of our internal controls. Our Head of Information Security reports to the Audit Committee on a quarterly basis on any relevant cybersecurity issues or risks, related controls, procedures and programming, material cybersecurity and data privacy incidents (if any), any material updates to our cybersecurity risk management and strategy, broader cybersecurity trends, and relevant educational information.

We employ a cybersecurity team of seasoned professionals with direct experience in securing both large and small enterprises. The team is led by our Head of Information Security, who reports to the Chief Operating Officer (COO). The Head of Information Security has 18 years of experience in various technology leadership roles. Of these, the last 10 years have specifically focused on building, managing, and supporting robust security programs across highly regulated industries. The Head of Information Security holds relevant credentials through leading organizations including CISSP (ISC2), CCSP (ISC2), CRISC (ISACA), CCISO (EC-Council), and QTE (DDN). Other members of the cybersecurity leadership team have several years of direct experience in the security industry and hold relevant credentials from ISC2, ISACA, EC-Council, and CompTIA. Moreover, cybersecurity team members keep themselves current through continuing professional education. These individuals are informed about, and monitor the prevention, mitigation, detection and remediation of cybersecurity incidents through their management of, and participation in, the cybersecurity risk management and strategy processes described above, which include escalation to the CCO and the Audit Committee, as appropriate.

Item 2. Properties

Hims & Hers' address is 2269 Chestnut Street, #523, San Francisco, California 94123. In addition, we lease and operate fulfillment centers and Affiliated Pharmacy facilities in New Albany, Ohio and Gilbert, Arizona, along with a corporate facility in New York, New York. Hims & Hers' workforce is currently working on a fully remote basis with the exception of those employees serving our fulfillment operations and Affiliated Pharmacies, whose presence is required for operation of the pharmacies, fulfillment, and distribution, along with those utilizing our corporate facility.

Item 3. Legal Proceedings

From time to time, we are party to litigation and subject to claims incident to the ordinary course of business. As our growth continues, we may become party to an increasing number of litigation matters and claims. The outcome of litigation and claims cannot be predicted with certainty, and the resolution of these matters could materially affect our future results of operations, cash flows, or financial position. We are not presently party to any legal proceedings that, in the opinion of management, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, financial condition, or cash flows.

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

Market Information

Our Class A common stock trades on the New York Stock Exchange ("NYSE") under the symbol "HIMS".

Holders

On February 23, 2024, there were 129 holders of record of our Class A common stock. Because many of our shares of Class A common stock are held by brokers and other institutions on behalf of stockholders, we are unable to estimate the total number of stockholders represented by these record holders. However, we believe a substantially greater number of beneficial owners hold shares of our Class A common stock through brokers, banks, or other nominees.

Dividends

We have not paid any cash dividends on our Class A common stock to date. The payment of any cash dividends is within the discretion of our Board and our Board does not currently contemplate declaring any dividends in the foreseeable future.

Securities Authorized for Issuance under Equity Compensation Plans

The information concerning our equity compensation plans is incorporated by reference herein to the section of the 2024 Proxy Statement entitled "Equity Compensation Plan Information."

Issuer Purchases of Equity Securities

Share repurchase activity during the three months ended December 31, 2023 was as follows (in thousands, except share and per share data):

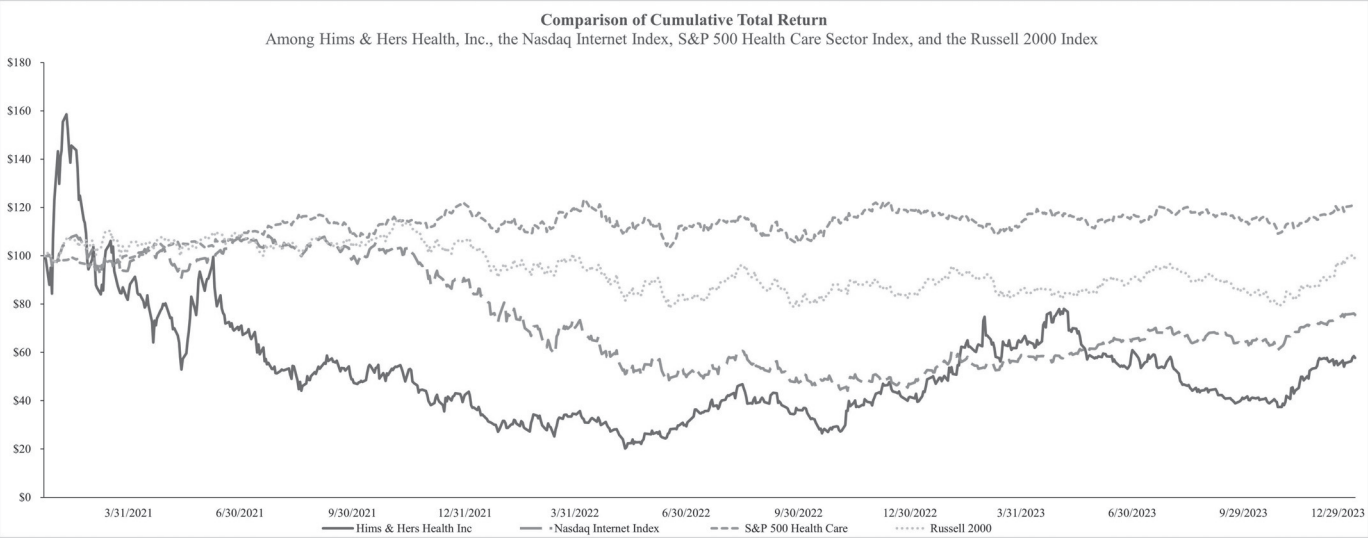
	Total Number of Shares of Class A Common Stock Purchased	Average Price Paid per Share (1)	Total Number of Shares Purchased as Part of the Publicly Announced Program	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Publicly Announced Program (2)
October 1, 2023 to October 31, 2023	—	$ —	—	
November 1, 2023 to November 30, 2023	237,458	$ 8.42	237,458	
December 1, 2023 to December 31, 2023	—	$ —	—	
Total repurchases	237,458			$ 48,001

(1) Average price paid per share includes costs associated with the repurchases.

(2) On November 6, 2023, we announced that our Board of Directors had authorized a repurchase program, pursuant to which we may repurchase up to $50.0 million of our Class A common stock through open market purchases, privately negotiated transactions or other means, including through 10b5-1 trading plans As of December 31, 2023, approximately $2.0 million of our shares had been repurchased under the authorization. The repurchase program expires on November 8, 2025.

Stock Performance Graph

The following graph compares the cumulative total return to stockholders on our Class A common stock relative to the cumulative total returns of the Nasdaq Internet Index, the S&P 500 Health Care Sector Index, and the Russell 2000 Index. An investment of $100 (with reinvestment of all dividends) is assumed to have been made in our Class A common stock and in each index on January 21, 2021, the date our Class A common stock began trading on the NYSE, and its relative performance is tracked through December 31, 2023. 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 provides information that management believes is relevant to an assessment and understanding of our consolidated results of operations and financial condition. You should read the following discussion and analysis of our financial condition and results of operations in conjunction with the consolidated financial statements and accompanying notes included in Part II, Item 8 of this Form 10-K. This section of the Form 10-K generally discusses 2023 and 2022 items and year-to-year comparisons between 2023 and 2022. Discussions of 2021 items and year-to-year comparisons between 2022 and 2021 are not included in this Form 10-K, and can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2022. Our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. You should not rely on forward-looking statements as predictions of future events. The events and circumstances reflected in the forward-looking statements may not be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. Except as required by law, we do not intend to update any of these forward-looking statements after the date hereof or to conform these statements to actual results or revised expectations. Forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) and other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the section entitled "Risk Factors" in this Form 10-K.

Overview

Hims & Hers is a consumer-first platform transforming the way customers fulfill their health and wellness needs. Our mission is to help the world feel great through the power of better health. We believe that we have the technical platform, distributed provider network, and access to clinical capabilities to lead the migration of routine office visits to a digital format. The Hims & Hers platform includes access to a highly-qualified and technologically-capable provider network, a clinically-focused electronic medical records system, digital prescriptions, and cloud-enabled pharmacy fulfillment. Our digital platform enables access to treatments for a broad range of conditions, including those related to sexual health, hair loss, dermatology, mental health, and weight loss. Hims & Hers connects patients to licensed healthcare professionals who can prescribe medications when appropriate. Prescriptions are fulfilled online through licensed pharmacies on a subscription basis, making accessing treatments simple, affordable, and straightforward. Through the Hims & Hers mobile applications, consumers can access a range of educational programs, wellness content, community support, and other services that promote lifelong health and wellness.

In addition, we offer access to a range of health and wellness products designed to meet individual needs, which can include curated prescription and non-prescription products. Our products and services are available for purchase directly by customers

on our websites and mobile applications. Additionally, Hims & Hers non-prescription products can be found in tens of thousands of top retail locations in the United States.

Revenue and Key Business Metrics

Our management monitors two financial results, Online Revenue and Wholesale Revenue (both defined below), to track our total revenue generation. We also monitor the additional key business metrics set forth below to help us evaluate our business, identify trends affecting our business, formulate business plans and make strategic decisions. Increases or decreases in these key business metrics may not correspond with increases or decreases in our revenue.

The limitations our key business metrics have as an analytical tool include: (i) they might not accurately predict our future financial results pursuant to accounting principles generally accepted in the United States of America ("U.S. GAAP"); and (ii) other companies, including companies in our industry, may calculate our key business metrics or similarly titled measures differently, which reduces their usefulness as comparative measures.

Brief descriptions of our key business metrics are provided below.

"Online Revenue" represents the sales of products and services on our platform, net of refunds, credits, and chargebacks, and includes revenue recognition adjustments recorded pursuant to U.S. GAAP, primarily relating to deferred revenue and returns reserve. Online Revenue is generated by selling directly to consumers through our websites and mobile applications. Our Online Revenue consists of products and services purchased by customers directly through our online platform. The majority of our Online Revenue is subscription-based, where customers agree to be billed on a recurring basis to have products and services automatically delivered to them.

"Wholesale Revenue" represents non-prescription product sales to retailers through wholesale purchasing agreements. Wholesale Revenue also includes non-prescription product sales to third-party platforms through consignment arrangements. In addition to being revenue generative and profitable, wholesale partnerships and consignment arrangements have the added benefit of generating brand awareness with new customers in physical and online environments.

"Subscribers" are customers who have one or more "Subscriptions" pursuant to which they have agreed to be automatically billed on a recurring basis at a defined cadence. The Subscription billing cadence is typically defined as a number of days (for example, billed every 30 days or every 90 days), which are excluded from our reporting when payment has not occurred at the contracted billing cadence. Subscribers can cancel Subscriptions in between billing periods to stop receiving additional products and/or services and can reactivate Subscriptions to continue receiving additional products and/or services.

"Monthly Online Revenue per Average Subscriber" is defined as Online Revenue divided by "Average Subscribers", which amount is then further divided by the number of months in a period. "Average Subscribers" are calculated as the sum of the Subscribers at the beginning and end of a given period divided by 2.

"Net Orders" are defined as the number of online customer orders minus transactions related to refunds, credits, chargebacks, and other negative adjustments. Net Orders represent transactions made on our platform during a defined period of time and exclude revenue recognition adjustments recorded pursuant to U.S. GAAP.

Average Order Value ("AOV") is defined as Online Revenue divided by Net Orders.

The table below provides a breakdown of total revenue between Online Revenue and Wholesale Revenue, for the years ended December 31, 2023, 2022, and 2021, as well as key metrics that drive Online Revenue (i.e., Subscribers, Monthly Online Revenue per Average Subscriber, Net Orders, and AOV), and the dollar and percentage change between such periods (in thousands, except for Monthly Online Revenue per Average Subscriber and AOV):

	Year Ended December 31,						
	2023	Change	% Change	2022	Change	% Change	2021
Online Revenue	$ 842,381	$ 339,874	68 %	$ 502,507	$ 243,337	94 %	$ 259,170
Wholesale Revenue	29,619	5,210	21 %	24,409	11,701	92 %	12,708
Total revenue	$ 872,000	$ 345,084	65 %	$ 526,916	$ 255,038	94 %	$ 271,878
Subscribers (end of period)	1,537	497	48 %	1,040	486	88 %	554
Monthly Online Revenue per Average Subscriber	$ 54	$ 1	2 %	$ 53	$ 2	4 %	$ 51
Net Orders	8,676	2,554	42 %	6,122	2,618	75 %	3,504
AOV	$ 97	$ 15	18 %	$ 82	$ 8	11 %	$ 74

We generated $842.4 million in Online Revenue for the year ended December 31, 2023, an increase of $339.9 million, or 68%, as compared to $502.5 million for the year ended December 31, 2022. Growth in Online Revenue for the year ended December 31, 2023 was primarily driven by growth in Subscribers, from whom we generated recurring and stable Monthly Online Revenue per Average Subscriber, as well as growth in AOV and Net Orders.

We generated $29.6 million in Wholesale Revenue for the year ended December 31, 2023, an increase of $5.2 million, or 21%, as compared to $24.4 million for the year ended December 31, 2022. Wholesale Revenue can fluctuate on a period-to-period basis due to various factors, including delayed inventory purchases from our partners, seasonality trends, launches of new merchants and timing of specialized campaigns.

Subscribers grew 48% to approximately 1,537,000 as of December 31, 2023 as compared to approximately 1,040,000 Subscribers as of December 31, 2022. Growth in Subscribers for the year ended December 31, 2023 was driven by increased traffic to our platform (through our websites and mobile applications) as a result of our marketing activities, increased customer conversion rates from improved onsite and customer onboarding experiences, and new product offerings. Monthly Online Revenue per Average Subscriber grew 2% to $54 for the year ended December 31, 2023 as compared to $53 for the year ended December 31, 2022, primarily due to product mix shifting between conditions and longer duration Subscriptions. Monthly Online Revenue per Average Subscriber has remained relatively stable as a result of generally recurring and predictable uptake of our offerings by Subscribers, but can fluctuate on a period-to-period basis due to various factors, including price changes, product mix, and duration of Subscriptions.

As a result of growth in Subscribers, we generated approximately 8.7 million Net Orders for the year ended December 31, 2023, an increase of 42% as compared to approximately 6.1 million Net Orders for the year ended December 31, 2022. For the year ended December 31, 2023, AOV was $97, an increase of 18% compared to $82 for the year ended December 31, 2022. AOV growth for the year ended December 31, 2023 was driven by product mixes shifting towards longer duration Subscriptions as well as new product offerings.

We continuously test and optimize the online experience and offerings to improve the customer experience, maximize sales, and improve gross margin. Our Subscribers (sometimes also referred to by us as "members") select a cadence at which they wish to receive product shipments. In addition to a 30-day cadence, we offer Subscribers the ability to select from a range of Subscription shipment cadences, from every 60 days to 360 days, depending on the product. Subscriptions automatically renew on the applicable cadence selected by the Subscriber when purchasing or updating the Subscription. To ensure timely delivery of prescription medications and in accordance with our terms and conditions, Subscribers may sometimes be charged, and products may sometimes be shipped, earlier than their regularly scheduled cadence to accommodate holidays or for other operational reasons to support continuity of treatment. The Subscriber is billed upon each shipment. Subscribers can cancel Subscriptions in between billing periods to stop receiving additional products and can reactivate Subscriptions at any time. In addition, our customers can purchase product bundles or defined product kits, either consisting of non-prescription over-the-counter products or non-prescription products together with prescription medications, for a single all-inclusive price. Such offerings and their uptake by Subscribers have contributed to the generally stable and predictable nature of our Monthly Online Revenue per Average Subscriber. Additionally, the uptake of these offerings has resulted in higher gross profits and gross margins for our sales of products and services on our platform. For example, for longer term Subscriptions, we incur shipping and fulfillment expenses fewer times per year than for 30-day Subscriptions. The Subscriber uptake of longer term Subscriptions results in lower recurring costs and higher gross margins as compared to 30-day Subscriptions.

Key Factors Affecting Results of Operations

We believe that our performance and future success depend on several factors that present significant opportunities for us but also pose risks and challenges.

New customer acquisition

Our ability to attract new customers is a key factor for our future growth. To date, we have successfully acquired new customers through marketing and the development of our brands as well as through acquisitions. As a result, revenue has increased each year since our launch. If we are unable to acquire enough new customers in the future, revenue might decline. New customer acquisition could be negatively impacted if our marketing efforts are less effective in the future. Increases in advertising rates could also negatively impact our ability to acquire new customers. Consumer tastes, preferences, and sentiment for our brands may also change and result in decreased demand for our products and services. Changes in law or regulatory enforcement could also negatively impact our ability to acquire new customers, including changes to privacy, healthcare, or other laws that could impact customer acquisition costs.

Retention of customers

Our ability to retain customers is a key factor in our ability to generate revenue. Most of our customers purchase products and services through subscription-based plans, where Subscribers are billed and sent products and/or receive services on a recurring basis. The recurring nature of this revenue provides us with a certain amount of predictability for future revenue if past Subscriber behavior stays relatively consistent in the future. In addition, the consistent uptake by Subscribers of our offerings has contributed to the stable and predictable nature of our Monthly Online Revenue per Average Subscriber. We expect to retain a significant majority of revenue from Subscribers who maintain a Subscription for more than two years (sometimes referred to by us as "long-term revenue retention"). However, if customer behavior changes, or our assumptions regarding long-term revenue retention are incorrect and Subscriber retention decreases in the future, then future revenue will be negatively impacted. Macroeconomic factors including inflation or recessionary pressures may affect the ability of our Subscribers to continue to pay for our products and services, which may also impact the future results of our operations.

Investments in growth

We expect to continue to focus on long-term growth. We intend to continue to invest in our fulfillment and operating capabilities, including our Affiliated Pharmacies (as defined below) and warehousing facilities, with the goal of fulfilling nearly all of our pharmaceutical and over-the-counter customer orders through affiliated and internal fulfillment capabilities. For example, we are making investments in the expansion of our current facilities, which are expected to continue for at least the next 12 months. Additionally, we expect to continue to make significant investments in marketing to acquire new customers and we expect to continue to make investments in product offerings and customer experience. We are working to enhance our offerings and expand the breadth of health and wellness products and services offered on our websites and mobile applications. This includes investments in personalized product offerings, including in our compounding capabilities. This also includes

further investments in and development of mobile phone technology, including our mobile applications, in order to improve the customer experience on our platform. In the short term, we expect these investments to increase our operating expenses; however, in the long term, we anticipate that these investments will positively impact our results of operations. If we are unsuccessful at improving our offerings or are unable to generate additional demand for our offerings, we may not recover the financial investments we make into the business and revenue may not increase in the future.

Expansion into new specialties

We expect to continue to expand into new health and wellness specialties with our offerings. Specialty expansion allows us to increase the number of health and wellness consumers for whom we can provide products and services. It also allows us to offer access to treatment of additional conditions that may already affect our current customers. Expanding into new health and wellness specialties has required and will continue to require financial investments in additional headcount, marketing and customer acquisition costs, additional operational capabilities, and may require the purchase of new inventory. If we are unable to generate sufficient demand in new health and wellness specialties, we may not recover the financial investments we make into new specialties and revenue may not increase in the future.

Non-GAAP Financial Measures

In addition to our financial results determined in accordance with U.S. GAAP, we present Adjusted EBITDA (which is a non-GAAP financial measure), Adjusted EBITDA margin (which is a non-GAAP ratio), and Free Cash Flow (which is a non-GAAP financial measure) each as defined below. We use Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow, when taken together with the corresponding U.S. GAAP financial measures, provide meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations, or outlook. We consider Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow to be important measures because they help illustrate underlying trends in our business and our historical operating performance on a more consistent basis. We believe that the use of Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow is helpful to our investors as they are used by management in assessing the health of our business, our operating performance, and our liquidity.

However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool, and should not be considered in isolation or as a substitute for financial information presented in accordance with U.S. GAAP. In addition, other companies, including companies in our industry, may calculate similarly-titled non-GAAP financial measures or ratios differently or may use other financial measures or ratios to evaluate their performance, all of which could reduce the usefulness of Adjusted EBITDA, Adjusted EBITDA margin, and Free Cash Flow as tools for comparison. Reconciliations are provided below to the most directly comparable financial measures stated in accordance with U.S. GAAP. Investors are encouraged to review our U.S. GAAP financial measures and not to rely on any single financial measure to evaluate our business.

Adjusted EBITDA is a key performance measure that our management uses to assess our operating performance. Because Adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes. “Adjusted EBITDA” is defined as net loss before stock-based compensation, depreciation and amortization, acquisition-related costs (which includes (i) acquisition professional services; and (ii) consideration paid for employee compensation with vesting requirements incurred directly as a result of acquisitions, inclusive of revaluation of earn-out consideration recorded in general and administrative expenses), income taxes, change in fair value of liabilities, impairment of long-lived assets, interest income, one-time Merger bonuses and warrant expense, and amortization of debt issuance costs. “Adjusted EBITDA margin” is defined as Adjusted EBITDA divided by revenue.

The following table reconciles net loss to Adjusted EBITDA for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Revenue	$ 872,000	$ 526,916	$ 271,878
Net loss	(23,546)	(65,678)	(107,659)
Stock-based compensation	66,080	42,817	67,211
Depreciation and amortization	9,515	7,474	4,075
Acquisition-related costs	3,016	1,192	8,105
Provision (benefit) for income taxes	1,975	(31)	(3,136)
Change in fair value of liabilities	1,075	(70)	(3,802)
Impairment of long-lived assets	429	1,127	—
Interest income	(9,029)	(2,610)	(390)
Merger bonuses	—	—	5,219
Warrant expense in connection with Merger	—	—	154
Amortization of debt issuance costs	—	—	144
Adjusted EBITDA	$ 49,515	$ (15,779)	$ (30,079)
Net loss as a % of revenue	(3)%	(12)%	(40)%
Adjusted EBITDA margin	6 %	(3)%	(11)%

Some of the limitations of Adjusted EBITDA include (i) Adjusted EBITDA does not properly reflect capital commitments to be paid in the future, and (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures. In evaluating Adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. We compensate for these limitations by providing specific information regarding the U.S. GAAP items excluded from Adjusted EBITDA. When evaluating our performance, you should consider Adjusted EBITDA in addition to, and not as a substitute for, other financial performance measures, including our net loss and other U.S. GAAP results.

Free Cash Flow is a key performance measure that our management uses to assess our liquidity. Because Free Cash Flow facilitates internal comparisons of our historical liquidity on a more consistent basis, we use this measure for business planning purposes. “Free Cash Flow” is defined as net cash provided by (used in) operating activities, less purchases of property, equipment, and intangible assets and investment in website and mobile application development and internal-use software in investing activities.

The following table reconciles net cash provided by (used in) operating activities to Free Cash Flow for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Years Ended December 31,		
	2023	2022	2021
Net cash provided by (used in) operating activities	$ 73,483	$ (26,531)	$ (34,412)
Less: purchases of property, equipment, and intangible assets in investing activities	(17,220)	(2,714)	(832)
Less: investment in website and mobile application development and internal-use software in investing activities	(9,272)	(4,533)	(4,175)
Free Cash Flow	$ 46,991	$ (33,778)	$ (39,419)

Some of the limitations of Free Cash Flow include (i) Free Cash Flow does not represent our residual cash flow for discretionary expenditures and our non-discretionary commitments, and (ii) Free Cash Flow includes capital expenditures, the benefits of which may be realized in periods subsequent to those in which the expenditures took place. In evaluating Free Cash Flow, you should be aware that in the future we will have cash outflows similar to the adjustments in this presentation. Our presentation of Free Cash Flow should not be construed as an inference that our future results will be unaffected by these cash outflows or any unusual or non-recurring items. When evaluating our performance, you should consider Free Cash Flow in addition to, and not as a substitute for, other financial performance measures, including our net cash provided by (used in) operating activities and other U.S. GAAP results.

Basis of Presentation

Currently, we conduct business through one operating segment. Substantially all our long-lived assets are maintained in, and a significant majority of our losses are attributable to, the United States of America. The consolidated financial statements include the accounts of our company, our wholly-owned subsidiaries, and variable interest entities for which we are the primary beneficiary. The variable interest entities are: (i) "Affiliated Medical Groups," which are professional corporations or other professional entities owned by licensed physicians and that engage licensed healthcare professionals (physicians, physician assistants, nurse practitioners, and mental health providers; collectively referred to as "Providers" or individually, a "Provider") to provide consultation services; and (ii) XeCare, LLC ("XeCare") and Apostrophe Pharmacy LLC ("Apostrophe Pharmacy", and together with XeCare, the "Affiliated Pharmacies"), which are licensed mail order pharmacies providing prescription fulfillment solely to our customers. We determined that we are the primary beneficiary of the Affiliated Medical Groups and the Affiliated Pharmacies for accounting purposes because we have the ability to direct the activities that most significantly affect these entities' economic performance and have the obligation to absorb the entities' losses. Under the variable interest entity model, we present the results of operations and the financial position of the entities as part of our consolidated financial statements as if the consolidated group were a single economic entity.

Components of Results of Operations

Revenue

We recognize revenue when we transfer promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services.

Our consolidated revenue primarily comprises of online sales of health and wellness products through our websites and mobile applications, including prescription and non-prescription products. In contracts that contain prescription products issued as the result of a consultation, revenue also includes medical consultation services and post-consultation service support provided by Affiliated Medical Groups. Additionally, revenue is generated through wholesale arrangements.

For information on our significant accounting policies, see Note 2 to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K.

Cost of revenue

Cost of revenue consists of costs directly attributable to the products shipped and services rendered, including product costs, packaging materials, shipping costs, and labor costs directly related to revenue generating activities. Costs related to free products where there is no expectation of future purchases from a customer and depreciation and amortization on property, equipment, and software are considered to be operating expenses and are excluded from cost of revenue.

Gross profit and gross margin

Our gross profit represents total revenue less our total cost of revenue, and our gross margin is our gross profit expressed as a percentage of our total revenue. Our gross profit and gross margin have been and will continue to be affected by a number of factors, including the prices we charge for our products and services, the costs we incur from our vendors for certain components of our cost of revenues, the mix of the various products and services we sell in a period, the mix of Online Revenue and Wholesale Revenue in a period, volume of fulfillment through affiliated and internal fulfillment capabilities, and our ability to sell our inventory. We expect our gross margin to fluctuate from period to period depending on these and other factors.

Marketing expenses

The largest component of our marketing expenses consists of our discretionary customer acquisition costs. Customer acquisition costs, also called paid marketing expense, are the advertising and media costs associated with our efforts to acquire new customers, promote our brands, and build awareness for our products and services. Customer acquisition costs include advertising in digital media, social media, television, radio, out-of-home media, and various other media outlets. Marketing expenses also include overhead expenses, including salaries, benefits, taxes, and stock-based compensation for personnel; agency, contractor, and consulting expenses; content production, software, and other marketing operating costs. Marketing is an important driver of growth and we intend to continue to make significant investments in customer acquisition and our marketing organization. Historically, our marketing expenses have increased quarter-over-quarter. We expect this trend to continue, though marketing expenses may fluctuate as a percentage of revenue due to the timing and discretionary nature of these expenses.

Operations and support expenses

Operations and support expenses include the salaries, benefits, taxes, professional services expenses, and stock-based compensation for personnel, consultants, and contractors for our supply chain, retail, medical group, pharmacy, fulfillment, and customer service functions. These expenses also include operating expenses primarily relating to operating and support functions for facilities, warehousing and fulfillment, payment processing, third-party software and hosting to support those functions, and related depreciation. We expect operations and support expenses to increase for the foreseeable future as we continue to invest in our fulfillment and operating capabilities and grow our business. However, we anticipate operations and support expenses will decrease as a percentage of revenue over the long term, although it may fluctuate as a percentage of total revenue from period to period due to the timing and amount of these expenses.

Technology and development expenses

Technology and development expenses include the salaries, benefits, taxes, professional services expenses, and stock-based compensation for personnel, consultants, and contractors for our engineering, product management, product development, and data science functions. These expenses also include operating expenses primarily relating to technology and development functions for the operation, maintenance and enhancement of our digital platform, websites and mobile applications, inclusive of related expenses for third-party software and hosting to support those functions, and related depreciation. Expenses also include investments to develop new health and wellness products and services. We expect technology and development expenses to increase for the foreseeable future as we grow our business and continue to invest in our platform and new offerings. However, we anticipate technology and development expenses will decrease as a percentage of revenue over the long term, although it may fluctuate as a percentage of total revenue from period to period due to the timing and amount of these expenses.

General and administrative expenses

General and administrative expenses ("G&A") include the salaries, benefits, taxes, professional services expenses, and stock-based compensation for personnel, consultants, and contractors for our executive, legal, human resources, finance, brand strategy, and other corporate functions. These expenses also include operating expenses primarily relating to general and administrative functions for insurance, third-party software and hosting to support those functions, related depreciation and amortization, and other general corporate costs. We expect G&A to increase for the foreseeable future as we increase headcount with the growth of our business. However, we anticipate G&A will decrease as a percentage of revenue over the long term, in part due to our expected execution of disciplined headcount growth, although it may fluctuate as a percentage of total revenue from period to period due to the timing and amount of these expenses.

Other income (expense)

Other income (expense) primarily consists of interest income from our cash and cash equivalents and investment accounts, as well as the change in fair value of liabilities. Additionally, other income (expense) includes non-operating and one-time charges classified outside of operating expenses.

(Provision) benefit for income taxes

The (provision) benefit for income taxes primarily consists of federal and state taxes, as well as change in valuation allowance. Deferred tax assets are reduced by a valuation allowance to the extent management believes it is not more likely than not to be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income. Management makes estimates and judgments about future taxable income based on assumptions that are consistent with our plans and estimates.

Results of Operations

Comparisons for the years ended December 31, 2023 and 2022

The following table sets forth our consolidated statement of operations for the years ended December 31, 2023, 2022, and 2021 and the dollar and percentage change between the three periods (dollars in thousands):

	Year Ended December 31,						
	2023	Change	% Change	2022	Change	% Change	2021
Revenue	$ 872,000	$ 345,084	65 %	$ 526,916	$ 255,038	94 %	$ 271,878
Cost of revenue	157,051	38,857	33 %	118,194	50,810	75 %	67,384
Gross profit	714,949	306,227	75 %	408,722	204,228	100 %	204,494
Operating expenses:(1)							
Marketing	446,435	173,848	64 %	272,587	136,685	101 %	135,902
Operations and support	119,857	42,454	55 %	77,403	29,810	63 %	47,593
Technology and development	48,227	18,990	65 %	29,237	6,858	31 %	22,379
General and administrative	129,883	31,691	32 %	98,192	(15,470)	(14)%	113,662
Total operating expenses	744,402	266,983	56 %	477,419	157,883	49 %	319,536
Loss from operations	(29,453)	39,244	(57)%	(68,697)	46,345	(40)%	(115,042)
Other income (expense):							
Change in fair value of liabilities	(1,075)	(1,145)	*	70	(3,732)	(98)%	3,802
Other income, net	8,957	6,039	207 %	2,918	2,473	556 %	445
Total other income, net	7,882	4,894	164 %	2,988	(1,259)	(30)%	4,247
Loss before income taxes	(21,571)	44,138	(67)%	(65,709)	45,086	(41)%	(110,795)
(Provision) benefit for income taxes	(1,975)	(2,006)	*	31	(3,105)	(99)%	3,136
Net loss	$ (23,546)	$ 42,132	(64)%	$ (65,678)	$ 41,981	(39)%	$ (107,659)

(*) Not meaningful

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

	Year Ended December 31,		
	2023	2022	2021
Marketing	$ 5,477	$ 4,648	$ 9,664
Operations and support	6,815	2,684	2,735
Technology and development	7,126	4,327	4,481
General and administrative	46,662	31,158	50,331
Total stock-based compensation expense	$ 66,080	$ 42,817	$ 67,211

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

	Year Ended December 31,		
	2023	2022	2021
Revenue	100 %	100 %	100 %
Cost of revenue	18 %	22 %	25 %
Gross profit	82 %	78 %	75 %
Operating expenses:			
Marketing	51 %	52 %	50 %
Operations and support	14 %	15 %	17 %
Technology and development	6 %	6 %	8 %
General and administrative	15 %	18 %	42 %
Total operating expenses	86 %	91 %	117 %
Loss from operations	(4)%	(13)%	(42)%
Other income (expense):			
Change in fair value of liabilities	— %	— %	1 %
Other income, net	1 %	1 %	— %
Total other income, net	1 %	1 %	1 %
Loss before income taxes	(3)%	(12)%	(41)%
(Provision) benefit for income taxes	— %	— %	1 %
Net loss	(3)%	(12)%	(40)%

Revenue

Revenue was $872.0 million for the year ended December 31, 2023 compared to $526.9 million for the year ended December 31, 2022, an increase of $345.1 million, or 65%. For detailed discussion of this increase, refer to "Revenue and Key Business Metrics."

Cost of revenue and gross profit

Cost of revenue was $157.1 million for the year ended December 31, 2023, compared to $118.2 million for the year ended December 31, 2022, an increase of $38.9 million, or 33%. This increase was primarily due to increased shipping costs of 49%, increased costs associated with Providers of 48%, and increased product and packaging costs of approximately 20%. These increases were due to overall increased business activity with the addition of new Subscribers.

Gross profit was $714.9 million for the year ended December 31, 2023 compared to $408.7 million for the year ended December 31, 2022, an increase of $306.2 million or 75%. Correspondingly, gross margin was 82% for the year ended December 31, 2023 compared to 78% for the year ended December 31, 2022. The increase in gross margin for the year ended December 31, 2023 was primarily due to lower product and packaging costs as a percent of revenue as a result of fulfilling greater order volume by Affiliated Pharmacies at lower costs as compared to third-party pharmacies. This increase was also due to Wholesale Revenue, which is lower margin than Online Revenue, comprising a smaller proportion of total revenue.

Marketing expenses

Marketing expenses were $446.4 million for the year ended December 31, 2023, compared to $272.6 million for the year ended December 31, 2022, an increase of $173.8 million, or 64%. The most significant component of marketing expenses is customer acquisition costs, which increased to $379.7 million for the year ended December 31, 2023, compared to $230.4 million for the year ended December 31, 2022, an increase of $149.3 million, or 65%. The increase in customer acquisition costs was a result

of management's decision to increase investment in display, search, and linear and streaming television marketing, as we continue to identify opportunities to drive new customer growth.

Operations and support

Operations and support expenses were $119.9 million for the year ended December 31, 2023, compared to $77.4 million for the year ended December 31, 2022, an increase of $42.5 million, or 55%. The increase in operations and support was primarily driven by an increase in employee compensation (comprising salaries and wages, benefits, taxes, and performance bonuses, and excluding stock-based compensation) of $22.7 million, an increase in order fulfillment, transaction processing, and selling costs of $9.1 million, an increase in stock-based compensation of $4.1 million, and an increase in depreciation, amortization, and technology costs of operations and support functions of $3.6 million.

Technology and development

Technology and development expenses were $48.2 million for the year ended December 31, 2023, compared to $29.2 million for the year ended December 31, 2022, an increase of $19.0 million, or 65%. The increase in technology and development expenses was primarily driven by an increase in employee compensation (comprising salaries and wages, benefits, taxes, and performance bonuses, and excluding stock-based compensation) of $9.5 million, an increase in depreciation, amortization, and technology costs of $4.9 million, and an increase in stock-based compensation of $2.8 million.

General and administrative

General and administrative expenses were $129.9 million for the year ended December 31, 2023, compared to $98.2 million for the year ended December 31, 2022, an increase of $31.7 million, or 32%. The increase in general and administrative expenses was primarily driven by an increase in stock-based compensation of $15.5 million, an increase in employee compensation (comprising salaries and wages, benefits, taxes, and performance bonuses, and excluding stock-based compensation) of $13.9 million, an increase in depreciation, amortization, and technology costs relating to general and administrative functions of $2.4 million, an increase in professional services of $2.1 million, and an increase in corporate events and travel costs of $1.5 million. The increase in general and administrative expenses was partially offset by a decrease in insurance premiums of $2.8 million.

Other income

Other income was $7.9 million for the year ended December 31, 2023, compared to $3.0 million for the year ended December 31, 2022, an increase of $4.9 million. The change was driven primarily by an increase in interest income of $6.4 million. The increase was partially offset by a loss from the change in fair value of liabilities of $1.1 million for the year ended December 31, 2023 compared to a gain of $0.1 million for the year ended December 31, 2022.

(Provision) benefit for income taxes

Provision for income taxes was $2.0 million for the year ended December 31, 2023, compared to a benefit of less than $0.1 million for the year ended December 31, 2022. The change was primarily due to an increase in current federal and state income taxes.

Liquidity and Capital Resources

As of December 31, 2023, our principal sources of liquidity are cash and cash equivalents in the amount of $96.7 million, which are primarily invested in interest-bearing cash accounts and money market funds, and investments in the amount of $124.3 million, which are invested in U.S. Treasury bills, corporate bonds, government and government agency securities, and asset-backed bonds.

We have historically incurred negative cash flows from operating activities and significant losses from operations. While we had positive cash flows from operating activities for the year ended December 31, 2023, we may continue to incur operating losses in the future due to continued investments in our business. We believe our existing cash resources are sufficient to support planned operations for the next 12 months. As a result, management believes that our current financial resources are sufficient to continue operating activities for at least one year past the issuance date of the consolidated financial statements.

Our future capital requirements will depend on many factors, including the number of orders we receive, the size of our customer base, the continuing market acceptance of telehealth, and the timing and extent of spend to support the expansion of sales, marketing, development activities, and our facilities, which may be impacted by inflationary, recessionary, or other macroeconomic factors. We expect to continue to pursue opportunities to expand our internal fulfillment capabilities and may acquire or invest in complementary businesses, services, and technologies, including intellectual property rights. We may also use our cash and cash equivalents to repurchase up to an additional $48 million of our Class A common stock through the fourth quarter of 2025 at management's discretion pursuant to our share repurchase program. We have based our estimate of our future capital requirements on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise or access additional capital when desired, our business, financial condition, and results of operations would be harmed.

Cash Flows

The following table provides a summary of cash flow data (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net cash provided by (used in) operating activities	$ 73,483	$ (26,531)	$ (34,412)
Net cash (used in) provided by investing activities	(12,106)	34,699	(156,268)
Net cash (used in) provided by financing activities	(11,475)	(33,127)	235,043

Cash flows from operating activities

Our largest source of operating cash flows is cash collections from our customers. Our primary use of cash from operating activities includes costs of revenue, marketing expenses, and personnel-related expenditures to support the growth of our business.

Net cash provided by operating activities was $73.5 million for the year ended December 31, 2023. Net cash provided by operating activities included non-cash expense related to stock-based compensation of $66.1 million, depreciation and amortization of $9.5 million, non-cash acquisition-related costs of $2.7 million, and change in fair value of liabilities of $1.1 million, partially offset by a net loss of $23.5 million and net accretion on securities of $5.7 million. In addition, a net cash inflow totaling $20.8 million was attributable to changes in operating assets and liabilities, primarily as a result of an increase in accounts payable and accrued liabilities of $23.8 million and an increase in deferred revenue of $6.3 million. This inflow was partially offset by an increase in prepaid expenses of $6.4 million.

Net cash used in operating activities was $26.5 million for the year ended December 31, 2022. The most significant component of our cash used was a net loss of $65.7 million. This included non-cash expense related to stock-based compensation of $42.8 million, depreciation and amortization of $7.5 million, and impairment of long-lived assets of $1.1 million. In addition, a net cash outflow totaling $14.2 million was attributable to changes in operating assets and liabilities, primarily as a result of a decrease in earn-out payable of $10.2 million, an increase in inventory of $8.0 million, an increase in prepaid expenses of $6.3 million, and a decrease in deferred revenue of $1.7 million. This outflow was partially offset by an increase in accounts payable and accrued liabilities of $13.6 million.

Cash flows from investing activities

Cash flows from investing activities primarily relate to our treasury operations of investing in available-for-sale investments, as well as investment in website and mobile application development and internal-use software, purchases of property, equipment, and intangible assets, and acquisitions.

Net cash used in investing activities for the year ended December 31, 2023 was $12.1 million, which was primarily due to purchases of property, equipment, and intangible assets of $17.2 million and investments of $9.3 million in website development and internal-use software, partially offset by net investment cash inflows of $14.4 million.

Net cash provided by investing activities for the year ended December 31, 2022 was $34.7 million, which was primarily due to net investment cash inflows of $42.4 million, partially offset by investments of $4.5 million in website development and internal-use software, including investment in our mobile technology, and purchases of property, equipment, and intangible assets of $2.7 million.

Cash flows from financing activities

Net cash used in financing activities for the year ended December 31, 2023 was $11.5 million, which was due to payments for taxes related to net share settlement of equity awards of $14.1 million and repurchases of common stock of $2.0 million, partially offset by proceeds from the exercise of stock options of $2.3 million and proceeds from employee stock purchase plan of $2.3 million.

Net cash used in financing activities for the year ended December 31, 2022 was $33.1 million, which was due to payments for earn-out consideration for acquisitions of $32.7 million and payments for taxes related to net share settlement of equity awards of $3.9 million, partially offset by proceeds from the exercise of stock options of $2.2 million and proceeds from employee stock purchase plan of $1.2 million.

Contractual Obligations and Commitments

Our contractual obligations and commitments include earn-out payable related to an acquisition, operating leases, and non-cancelable purchase obligations primarily related to cloud-based software contracts used in operations. Total contractual obligations and commitments as of December 31, 2023 were $27.7 million, of which $14.4 million was payable within 12 months.

Critical Accounting Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported in our financial statements and accompanying notes. Management believes that the estimates, judgments, and assumptions upon which it relies are reasonable based upon information available to it at the time that these estimates, judgments, and assumptions were made. Actual results may differ from management's estimates. To the extent that there are material differences between these estimates and actual results, our consolidated financial statements will be affected.

Our significant accounting policies are described in Note 2 – Summary of Significant Accounting Policies to the consolidated financial statements included in Part II, Item 8 of this Annual Report on Form 10-K. These are the policies that we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of operations.

Business combinations

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates, and selection of comparable companies. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including market conditions, technological developments, economic conditions, and competition. In connection with determination of fair values, we may engage a third-party valuation specialist to assist with the valuation of intangible and certain tangible assets acquired and certain assumed obligations.

Any acquired assets from a business combination including intangible assets subject to amortization are continuously monitored and reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In such cases, recoverability of assets to be held and used is assessed by comparing the carrying amount of assets with their future underlying net undiscounted cash flows without interest charges. If such assets are considered to be impaired, an impairment is recognized as the amount by which the carrying amount of the assets exceeds the estimated fair values of the assets.

Performance restricted stock units

Determining the fair value of our performance restricted stock units ("Performance RSUs" or "PRSUs") on the grant date and at the end of each reporting period requires management to use significant judgment and estimates. The grant date fair value is based on the probable level of achievement of performance targets and closing price of our Class A common stock on the grant date. We estimate the probable level of achievement on the grant date and at the end of each reporting period using a variety of factors, including primarily internal financial forecasts, our performance compared to such forecasts, and publicly disclosed financial guidance and our performance compared to such guidance.

If management determines that it is probable that the level of achievement has increased, we recognize a cumulative catch-up of stock-based compensation expense based on the level of achievement determined at period end in comparison to the prior period. If we determine it is no longer probable that any level of achievement will occur, we discontinue recognition of stock-based compensation expense. If we determine that it is improbable that any level of achievement will occur, we reverse previously recognized stock-based compensation expense.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to certain market risks in the ordinary course of our business, including sensitivities as follows:

Interest Rate Risk

Our exposure to interest rate fluctuations relate primarily to our cash and cash equivalents and short-term investments.

We had cash and cash equivalents and short-term investments totaling $221.0 million and $179.6 million as of December 31, 2023 and 2022, respectively, which were held for working capital purposes. Our cash and cash equivalents are comprised of interest-bearing cash accounts and money market funds, and our short-term investments are comprised of corporate bonds, U.S. Treasury bills, government and government agency securities, and asset-backed bonds. Our investments are made for capital preservation purposes. We do not hold or issue financial instruments for trading or speculative purposes. Due to the short-term nature of these investments, we believe there will be no associated material exposure to interest rate risk.

Foreign Currency Risk

There was no significant foreign currency risk for the years ended December 31, 2023, 2022, and 2021 since we operate primarily in the United States. Our operations in the United Kingdom are not considered significant. Accordingly, we believe we do not have a material exposure to foreign currency risk. We may choose to focus on international expansion in the future, which may increase our exposure to foreign currency exchange risk.

Item 8. Financial Statements and Supplementary Data

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors
Hims & Hers Health, Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Hims & Hers Health, Inc. and subsidiaries (the Company) as of December 31, 2023 and 2022, the related consolidated statements of operations and comprehensive loss, mezzanine equity and stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2023, and the related notes (collectively, the consolidated financial statements). We also have audited 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.

In our opinion, the consolidated financial statements referred to above 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 each of the years in the three-year period ended December 31, 2023, in conformity with U.S. generally accepted accounting principles. Also 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 the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, 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 Controls over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. 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 audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated 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 consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated 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.

Impairment indicators for certain trade name intangible assets

As discussed in Note 9 to the consolidated financial statements, the carrying value of the Company's trade name intangible assets was $17.3 million as of December 31, 2023. Long-lived assets, including trade name intangible assets, are reviewed for potential impairment whenever events or changes in circumstances (triggering events) indicate that the carrying amount of an asset may not be recoverable.

We identified the evaluation of triggering events that indicate the carrying amount of certain trade name intangible assets may not be recoverable as a critical audit matter. Challenging auditor judgment was required to assess the Company's identification and evaluation of indicators of potential impairment. Specifically, judgments included the identification and evaluation of potential quantitative and qualitative impairment indicators, including demand for the certain asset group's products and services, profitability, and other business factors.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of an internal control related to the Company's identification and evaluation of triggering events for long-lived assets, including certain trade name intangible assets. We evaluated the Company's triggering event identification and assessment, including the demand for the certain asset group's products and services and profitability, by:

- inspecting actual operating results in comparison with financial projections made by the Company at the time the certain asset group was acquired to identify underperformance
- considering relevant analyst reports
- inquiring of Company officials regarding future plans for the certain asset group
- reading board of directors' meetings minutes to identify other business factors that might impact the evaluation of triggering events.

/s/ KPMG LLP

We have served as the Company's auditor since 2019.

San Francisco, California
February 26, 2024

Hims & Hers Health, Inc.

Consolidated Balance Sheets

(In Thousands, Except Share and Per Share Data)

	December 31,	
	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	$ 96,663	$ 46,772
Short-term investments	124,318	132,853
Inventory	22,464	21,562
Prepaid expenses and other current assets	21,608	15,408
Total current assets	265,053	216,595
Restricted cash	856	856
Goodwill	110,881	110,881
Property, equipment, and software, net	36,143	11,199
Intangible assets, net	18,574	21,841
Operating lease right-of-use assets	9,588	4,936
Other long-term assets	91	33
Total assets	$ 441,186	$ 366,341
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 43,070	$ 32,363
Accrued liabilities	28,972	12,448
Deferred revenue	7,733	1,472
Earn-out payable	7,412	—
Operating lease liabilities	1,281	1,658
Total current liabilities	88,468	47,941
Operating lease liabilities	8,667	3,649
Earn-out liabilities	—	2,975
Other long-term liabilities	22	35
Total liabilities	97,157	54,600
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Common stock – Class A shares, par value $0.0001, 2,750,000,000 shares authorized and 205,104,120 and 200,051,689 shares issued and outstanding as of December 31, 2023 and 2022, respectively; Class V shares, par value $0.0001, 10,000,000 shares authorized and 8,377,623 shares issued and outstanding as of December 31, 2023 and 2022	21	21
Additional paid-in capital	712,307	656,626
Accumulated other comprehensive loss	(124)	(277)
Accumulated deficit	(368,175)	(344,629)
Total stockholders' equity	344,029	311,741
Total liabilities and stockholders' equity	$ 441,186	$ 366,341

See accompanying notes to consolidated financial statements.

Hims & Hers Health, Inc.

Consolidated Statements of Operations and Comprehensive Loss

(In Thousands, Except Share and Per Share Data)

	Year Ended December 31,		
	2023	2022	2021
Revenue	$ 872,000	$ 526,916	$ 271,878
Cost of revenue	157,051	118,194	67,384
Gross profit	714,949	408,722	204,494
Operating expenses:			
Marketing	446,435	272,587	135,902
Operations and support	119,857	77,403	47,593
Technology and development	48,227	29,237	22,379
General and administrative	129,883	98,192	113,662
Total operating expenses	744,402	477,419	319,536
Loss from operations	(29,453)	(68,697)	(115,042)
Other income (expense):			
Change in fair value of liabilities	(1,075)	70	3,802
Other income, net	8,957	2,918	445
Total other income, net	7,882	2,988	4,247
Loss before income taxes	(21,571)	(65,709)	(110,795)
(Provision) benefit for income taxes	(1,975)	31	3,136
Net loss	(23,546)	(65,678)	(107,659)
Other comprehensive income (loss)	153	(140)	(126)
Total comprehensive loss	$ (23,393)	$ (65,818)	$ (107,785)
Net loss per share attributable to common stockholders:			
Basic and diluted	$ (0.11)	$ (0.32)	$ (0.58)
Weighted average shares outstanding:			
Basic and diluted	209,344,712	204,516,120	186,781,537

See accompanying notes to consolidated financial statements.

Hims & Hers Health, Inc.

Consolidated Statements of Mezzanine Equity and Stockholders' Equity (Deficit)

(In Thousands, Except Share Data)

	Redeemable Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2020	93,328,118	$ 249,962	52,967,106	$ 5	$ 24,424	$ (11)	$ (171,292)	$ (146,874)
Pre-closing stock repurchase, net of exercise of vested options	(206,511)	(125)	(1,817,519)	—	(21,902)	—	—	(21,902)
Conversion of redeemable convertible preferred stock to common stock	(93,121,607)	(249,837)	93,121,607	9	249,828	—	—	249,837
Repayment of related-party promissory notes associated with vested shares	—	—	—	—	854	—	—	854
Forfeiture of related-party promissory notes	—	—	(370,734)	—	—	—	—	—
Conversion of Series D preferred stock warrants to Class A common warrants	—	—	—	—	1,160	—	—	1,160
Exercise of Class A common stock warrants	—	—	1,867,380	—	21,679	—	—	21,679
Issuance of common stock upon Merger, net of transaction costs of $18.7 million	—	—	24,142,244	2	129,657	—	—	129,659
Issuance of PIPE shares	—	—	7,500,000	1	74,999	—	—	75,000
Warrant expense in connection with Merger	—	—	—	—	154	—	—	154
Issuance of Merger earn-out shares to common stockholders	—	—	14,153,520	1	—	—	—	1
Issuance of common stock for acquisition of businesses	—	—	8,699,815	1	52,613	—	—	52,614
Exercise of vested stock options	—	—	1,382,978	1	1,258	—	—	1,259
Vesting of early exercised stock options, net of cancelations	—	—	(2,812)	—	227	—	—	227
Stock-based compensation	—	—	—	—	67,767	—	—	67,767
Issuance of common stock upon vesting of RSUs, net of shares withheld for taxes	—	—	1,189,786	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	—	—	—	—	(5,998)	—	—	(5,998)
Issuance of common stock upon Class A common stock warrant redemption	—	—	1,958,615	—	16,967	—	—	16,967
Other comprehensive loss	—	—	—	—	—	(126)	—	(126)
Net loss	—	—	—	—	—	—	(107,659)	(107,659)
Balance as of December 31, 2021	—	—	204,791,986	20	613,687	(137)	(278,951)	334,619
Issuance of common stock upon vesting of RSUs, net of shares withheld for taxes	—	—	1,632,111	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	—	—	—	—	(3,901)	—	—	(3,901)
Exercise of vested stock options	—	—	1,611,687	1	2,245	—	—	2,246
Vesting of early exercised stock options	—	—	—	—	197	—	—	197
Issuance of common stock under employee stock purchase plan	—	—	393,528	—	1,178	—	—	1,178
Stock-based compensation	—	—	—	—	43,220	—	—	43,220
Other comprehensive loss	—	—	—	—	—	(140)	—	(140)
Net loss	—	—	—	—	—	—	(65,678)	(65,678)
Balance as of December 31, 2022	—	—	208,429,312	21	656,626	(277)	(344,629)	311,741
Issuance of common stock upon vesting of RSUs, net of shares withheld for taxes	—	—	3,472,456	—	—	—	—	—
Payments for taxes related to net share settlement of equity awards	—	—	—	—	(14,096)	—	—	(14,096)
Exercise of vested stock options	—	—	1,222,548	—	2,322	—	—	2,322
Issuance of common stock under employee stock purchase plan	—	—	594,885	—	2,298	—	—	2,298
Repurchases and retirement of common stock	—	—	(237,458)	—	(1,999)	—	—	(1,999)
Stock-based compensation	—	—	—	—	67,156	—	—	67,156
Other comprehensive income	—	—	—	—	—	153	—	153
Net loss	—	—	—	—	—	—	(23,546)	(23,546)
Balance as of December 31, 2023	—	$ —	213,481,743	$ 21	$ 712,307	$ (124)	$ (368,175)	$ 344,029

See accompanying notes to consolidated financial statements.

Hims & Hers Health, Inc.

Consolidated Statements of Cash Flows

(In Thousands)

	Year Ended December 31,		
	2023	2022	2021
Operating activities			
Net loss	$ (23,546)	$ (65,678)	$ (107,659)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	9,515	7,474	4,075
Stock-based compensation	66,080	42,817	67,211
Change in fair value of liabilities	1,075	(70)	(3,802)
Warrant expense in connection with Merger	—	—	154
Amortization of debt issuance costs	—	—	144
Net (accretion) amortization on securities	(5,686)	146	2,166
Benefit for deferred taxes	(13)	(594)	(3,388)
Impairment of long-lived assets	429	1,127	—
Non-cash operating lease cost	1,922	1,605	1,510
Non-cash acquisition-related costs	2,691	837	1,182
Non-cash other	195	—	540
Changes in operating assets and liabilities:			
Inventory	(902)	(8,004)	(9,628)
Prepaid expenses and other current assets	(6,395)	(6,335)	3,200
Other long-term assets	(58)	17	(58)
Accounts payable	7,324	12,723	9,853
Accrued liabilities	16,524	909	197
Deferred revenue	6,261	(1,716)	1,412
Operating lease liabilities	(1,933)	(1,605)	(1,521)
Earn-out payable	—	(10,184)	—
Net cash provided by (used in) operating activities	73,483	(26,531)	(34,412)
Investing activities			
Purchases of investments	(157,239)	(187,700)	(266,633)
Maturities of investments	170,051	194,259	158,375
Proceeds from sales of investments	1,574	35,846	3,465
Investment in website and mobile application development and internal-use software	(9,272)	(4,533)	(4,175)
Purchases of property, equipment, and intangible assets	(17,220)	(2,714)	(832)
Deferred consideration paid for acquisitions	—	(459)	—
Acquisition of businesses, net of cash acquired	—	—	(46,468)
Net cash (used in) provided by investing activities	(12,106)	34,699	(156,268)
Financing activities			
Pre-closing stock repurchase	—	—	(22,027)
Proceeds from issuance of common stock upon Merger	—	—	197,686
Proceeds from PIPE	—	—	75,000
Payments for transaction costs related to securities issuances	—	—	(12,851)
Proceeds from repayment of promissory notes associated with vested and unvested	—	—	1,193
Proceeds from exercise of Class A common stock warrants, net of redemption	—	—	787
Proceeds from exercise of vested and unvested stock options, net of repurchases and	2,322	2,246	1,253
Payments for taxes related to net share settlement of equity awards	(14,096)	(3,901)	(5,998)
Payments for earn-out consideration for acquisitions	—	(32,650)	—
Proceeds from employee stock purchase plan	2,298	1,178	—
Repurchases of common stock	(1,999)	—	—
Net cash (used in) provided by financing activities	(11,475)	(33,127)	235,043
Foreign currency effect on cash and cash equivalents	(11)	(53)	(73)
Increase (decrease) in cash, cash equivalents, and restricted cash	49,891	(25,012)	44,290
Cash, cash equivalents, and restricted cash at beginning of period	47,628	72,640	28,350
Cash, cash equivalents, and restricted cash at end of period	$ 97,519	$ 47,628	$ 72,640
Reconciliation of cash, cash equivalents, and restricted cash			
Cash and cash equivalents	$ 96,663	$ 46,772	$ 71,784
Restricted cash	856	856	856
Total cash, cash equivalents, and restricted cash	$ 97,519	$ 47,628	$ 72,640
Supplemental disclosures of cash flow information			
Cash paid for taxes	$ 1,109	$ 636	$ 338
Non-cash investing and financing activities			
Recapitalization of redeemable convertible preferred stock from pre-closing stock	—	—	125
Conversion of redeemable convertible preferred stock to common stock	—	—	249,837
Assumption of Merger warrants liability	—	—	51,814
Redemption/exercise of Class A common stock warrants	—	—	37,834
Conversion of Series D preferred stock warrants to Class A common warrants	—	—	1,160
Purchase of property and equipment included in accounts payable	3,383	—	—
Right-of-use asset obtained in exchange for lease liability	6,270	1,206	—
Vesting of early exercised stock options, net of cancelations	—	197	227
Common stock issued, contingent consideration, and liabilities assumed in acquisition	—	—	99,958

See accompanying notes to consolidated financial statements.

1. Organization

Hims & Hers Health, Inc. (the "Company" or "Hims & Hers"), incorporated in Delaware, is a consumer-first platform transforming the way customers fulfill their health and wellness needs. The Company's mission is to help the world feel great through the power of better health. The Hims & Hers platform includes access to a highly-qualified and technologically-capable provider network, a clinically-focused electronic medical records system, digital prescriptions, and cloud-enabled pharmacy fulfillment. The Company's digital platform enables access to treatments for a broad range of conditions, including those related to sexual health, hair loss, dermatology, mental health, and weight loss. Hims & Hers connects patients to licensed healthcare professionals who can prescribe medications when appropriate. Prescriptions are fulfilled online through licensed pharmacies on a subscription basis, making accessing treatments simple, affordable, and straightforward. Through the Hims & Hers mobile applications, consumers can access a range of educational programs, wellness content, community support, and other services that promote lifelong health and wellness.

In addition, the Company offers access to a range of health and wellness products designed to meet individual needs, which can include curated prescription and non-prescription products. The Company's products and services are available for purchase directly by customers on the Company's websites and mobile applications. Additionally, Hims & Hers non-prescription products can be found in tens of thousands of top retail locations in the United States.

On January 20, 2021 (the "Closing Date"), OAC completed the acquisition of Hims, Inc. ("Hims") pursuant to the Agreement and Plan of Merger dated as of September 30, 2020 (the "Merger Agreement") by and among OAC, Hims, and Rx Merger Sub, Inc., a Delaware corporation and a direct wholly-owned subsidiary of OAC ("Merger Sub"). The Merger Agreement provided for, among other things, the combination of Hims and OAC pursuant to the merger of Merger Sub with and into Hims, with Hims continuing as the surviving entity and as a wholly-owned subsidiary of OAC, which changed its name to Hims & Hers Health, Inc. (the "Merger").

The Merger was accounted for as a reverse recapitalization with Hims as the accounting acquirer and OAC as the acquired company for accounting purposes. Accordingly, all historical financial information presented in the consolidated financial statements represents the accounts of Hims and its wholly-owned subsidiaries as if Hims is the predecessor to the Company. The share and per share information in these consolidated financial statements has therefore been retroactively restated to reflect the share exchange ratio established in the Merger (0.4530 shares of Company Class A common stock for 1 share of Hims Class A common stock).

Prior to the Merger, OAC ordinary shares and warrants were traded on the New York Stock Exchange ("NYSE") under the ticker symbols "OAC" and "OAC WS", respectively. On the Closing Date, the Company's Class A common stock and warrants began trading on the NYSE under the ticker symbols "HIMS" and "HIMS WS", respectively. Upon the completion of the warrant redemption in August 2021, the Company is trading on the NYSE solely under the ticker symbol "HIMS". One of the primary purposes of the Merger was to provide a platform for Hims to gain access to the U.S. capital markets. See Note 3 – Recapitalization for additional details.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared pursuant to accounting principles generally accepted in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of the Company, its wholly owned subsidiaries, and variable interest entities for which it is the primary beneficiary. All intercompany transactions and balances have been eliminated in the consolidated financial statements herein.

For the years ended December 31, 2023, 2022, and 2021, the Company had operations primarily in the United States, with insignificant operations in the United Kingdom.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported in the financial statements and accompanying notes. The more

significant estimates, judgments, and assumptions by management include, among others, valuation of inventory, valuation and recognition of stock-based compensation expense, valuation of contingent consideration in business combinations, purchase price allocation for business combinations, estimates used in the capitalization of website and mobile application development and internal-use software costs, and judgments relating to impairment triggering events for long-lived assets. Management believes that the estimates, judgments, and assumptions upon which it relies are reasonable based upon information available to it at the time that these estimates, judgments, and assumptions were made. Actual results experienced by the Company may differ from management's estimates. To the extent that there are material differences between these estimates and actual results, the Company's consolidated financial statements will be affected.

Risks and Uncertainties

The Company's business, operations, and financial results are subject to various risks and uncertainties, including adverse United States economic conditions, legal restrictions, changing laws for medical services and prescription products, decisions to outsource or modify portions of its supply chain, and competition in its industry, and of which could adversely affect its business, financial condition, results of operations, and cash flows. These significant factors, among others, could cause the Company's future results to differ materially from the consolidated financial statements.

Concentration Risk

The Company's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash and cash equivalents, restricted cash, investments, and accounts receivable.

The Company maintains its cash, cash equivalents, short-term investments, and restricted cash with high-quality financial institutions with investment-grade ratings. The majority of the cash balances are with U.S. banks and are insured to the extent defined by the Federal Deposit Insurance Corporation.

The prescription products ordered on the Company's e-commerce online platform are primarily fulfilled by the Affiliated and Partner Pharmacies (as defined below). If any of the pharmacies were to stop fulfilling orders, it could significantly slow prescription product sales until fulfillment volume is redistributed to other operating pharmacies. The Company maintains agreements with these pharmacies and is continuing to invest in expanding affiliated pharmacy fulfillment capabilities to mitigate any such risk.

As of December 31, 2023, four wholesale customers individually represented more than 10% of accounts receivable. As of December 31, 2022, two wholesale customers represented more than 10% of accounts receivable. For the years ended December 31, 2023, 2022, and 2021, no single customer represented more than 10% of revenue. In addition, revenue related to sales in foreign countries was less than 10% of revenue for each of those years.

Foreign Currency Translation

The Company's consolidated financial statements are presented in U.S. dollars. Adjustments resulting from translating foreign functional currency financial statements into U.S. dollars are presented as foreign currency translation adjustments, a component of other comprehensive income (loss) on the consolidated statements of operations and comprehensive loss.

Business Combinations

The Company accounts for its business combinations using the acquisition method of accounting. The purchase price is attributed to the fair value of the assets acquired and liabilities assumed. Transaction costs directly attributable to the acquisition are expensed as incurred. Identifiable assets and liabilities acquired or assumed are measured separately at their fair values as of the acquisition date. The excess of the purchase price of acquisition over the fair value of the identifiable net assets of the acquiree is recorded as goodwill. The results of businesses acquired in a business combination are included in the Company's consolidated financial statements from the date of acquisition.

When the Company issues stock-based or cash awards to an acquired company's shareholders, the Company evaluates whether the awards are consideration or compensation for post-acquisition services. The evaluation includes, among other things, whether the vesting of the awards is contingent on the continued employment of the acquired company's stockholders beyond

the acquisition date. If continued employment is required for vesting, the awards are treated as compensation for post-acquisition services and recognized as expense over the requisite service period.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies, estimates of future revenue and cash flows, discount rates, and selection of comparable companies. The estimates and assumptions used to determine the fair values and useful lives of identified intangible assets could change due to numerous factors, including market conditions, technological developments, economic conditions, and competition. In connection with determination of fair values, the Company may engage a third-party valuation specialist to assist with the valuation of intangible and certain tangible assets acquired and certain assumed obligations.

Any acquired assets from a business combination including intangible assets subject to amortization are continuously monitored and reviewed for potential impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In such cases, recoverability of assets to be held and used is assessed by comparing the carrying amount of assets with their future underlying net undiscounted cash flows without interest charges. If such assets are considered to be impaired, an impairment is recognized as the amount by which the carrying amount of the assets exceeds the estimated fair values of the assets.

Segment Reporting

The Company is managed as a single operating segment on a consolidated basis, inclusive of acquisitions. The Company determined that the Chief Executive Officer ("CEO") is the chief operating decision maker as he is responsible for making decisions regarding the allocation of resources and assessing performance as well as for strategic operational decisions and managing the organization at a consolidated level.

Cash, Cash Equivalents, and Restricted Cash

The Company considers all highly liquid investments purchased with an original maturity or remaining maturity of three months or less at the date of purchase to be cash equivalents. The Company deposits its cash and cash equivalents with financial institutions.

The restricted cash balance comprises cash collateral that is held by the Company's primary financial institution to secure a letter of credit issued as a security deposit for the Company's warehouse facility in New Albany, Ohio.

Investments

Available-for-sale debt instruments with original maturities at the date of purchase greater than three months and remaining maturities of less than one year are classified as short-term investments. Available-for-sale debt instruments with original maturities at the date of purchase and remaining maturities of greater than one year are classified as long-term investments. The Company intends to sell such investments, if any, at or close to maturity.

The investments are designated as available-for-sale and are reported at fair value, with unrealized gains and losses, net of tax, recorded in other comprehensive income (loss) on the consolidated statements of operations and comprehensive loss, except for other-than-temporary impairments and credit losses. The Company determines the cost of the investment sold based on specific identification at the individual security level. The Company records the interest income and realized gains and losses on the sale of these instruments within other income (expense), net on the consolidated statements of operations and comprehensive loss.

Other-Than-Temporary Impairment and Credit Losses

The Company adopted ASC Topic 326 for the year ended December 31, 2021, and considers whether unrealized losses have resulted from a credit loss or other factors. The unrealized losses on the Company's available-for-sale securities for the years ended December 31, 2023, 2022, or 2021 were caused by fluctuations in market value and interest rates as a result of the economic environment. The Company concluded that an allowance for credit losses for its available-for-sale securities was unnecessary as of December 31, 2023 and 2022 because the decline in the market value was attributable to changes in market conditions and not credit quality, and that it is neither management's intention to sell nor is it more likely than not that the

Company will be required to sell these investments prior to recovery of their cost basis or recovery of fair value. There was no realized gain or loss on available-for-sale securities in the periods presented.

Fair Value of Financial Instruments

The fair value of a financial instrument is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities subject to ongoing fair value measurement are categorized and disclosed into one of the three categories depending on observable or unobservable inputs employed in the measurement. Hierarchical levels, which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities, are as follows:

- Level 1: Inputs that are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2: Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities and that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

Inventory

Inventory primarily consists of finished goods and raw materials that are located at Company-managed and third-party fulfillment warehouses and pharmacies. Inventory is stated at the lower of cost and net realizable value and inventory cost is determined by the weighted average cost method. The Company reserves for expired, slow-moving, and excess inventory by estimating the net realizable value based on the potential future use of such inventory. Management monitors inventory to identify events that would require impairment due to slow-moving, expired, or obsolete inventory and reduces the value of inventory when required. Obsolete inventory balances are written off against the inventory allowance when management determines that the inventory cannot be sold.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of balances related to prepayments or vendor deposits for insurance, marketing, software, inventory and other operating costs, and trade and other accounts receivables. Prepaid expenses are recorded when payment has been made in advance for goods and services. Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Receivables are stated at amounts estimated by management to be equal to their net realizable values. The allowance for doubtful accounts is the Company's best estimate of the amount of expected credit losses on its accounts receivable. The expectation of collectability is based on the Company's review of credit profiles of customers, contractual terms and conditions, current economic trends, and historical payment experience. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and an allowance is recorded accordingly. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2023 and 2022, gross accounts receivable was $6.7 million and $3.9 million, respectively. There were immaterial write-offs of accounts receivable for the year ended December 31, 2023 and no write-offs of accounts receivable for the years ended December 31, 2022 or 2021. As of December 31, 2023 and 2022, the Company had no allowances for doubtful accounts.

The Company does not have any off-balance sheet credit exposure related to its customers.

Property, Equipment, and Software, Net

Property, equipment, and software consist of purchased and internal-use software and website development, facility equipment and other tangible property, leasehold improvements, and assets not placed in service. Property, equipment, and software are

depreciated or amortized using the straight-line method over the estimated useful lives ranging from two to seven years, with leasehold improvements depreciated over the shorter of their useful life or the related lease term. Property and equipment are recorded at cost, less accumulated depreciation and amortization. Maintenance and repair costs are charged to expense as incurred, and expenditures that extend the useful lives of assets are capitalized.

Capitalizable website and mobile application development and internal-use software costs are recorded at cost, less amortization. The costs incurred during the website application and infrastructure stages as well as costs incurred during the graphics and content development stages are capitalized; all other costs are expensed as incurred. In addition, the Company incurs costs to develop software for internal use. The costs incurred during the application development phase are capitalized until the project is completed and the asset is ready for intended use. All costs that relate to the preliminary project and post-implementation operation phases of development are expensed as incurred.

The following table summarizes the estimated amortization of website development and internal-use software costs subsequent to December 31, 2023 (in thousands):

2024	$	6,461
2025		5,058
2026		2,568
Total	$	14,087

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the net tangible and intangible assets acquired in a business combination. Goodwill is not amortized but is tested for impairment annually in the fourth quarter or more frequently if events or changes in circumstances indicate that the asset may be impaired. The Company operates as one reporting unit. When testing goodwill for impairment, the Company may first perform an optional qualitative assessment. If the Company determines it is not more likely than not the reporting unit's fair value is less than its carrying value, then no further analysis is necessary. If the Company determines that it is more likely than not that the fair value of its reporting unit is less than its carrying amount, then the quantitative impairment test will be performed. Under the quantitative impairment test, if the carrying amount of the Company's reporting unit exceeds its fair value, the Company will recognize an impairment loss in an amount equal to that excess but limited to the total amount of goodwill. Goodwill of $110.9 million was acquired during 2021 and no goodwill impairment was recorded for the years ended December 31, 2023, 2022, and 2021.

Intangible Assets, Net

Intangible assets, net primarily includes trade name, customer relationships, and developed technology. The Company amortizes such definite-lived intangible assets on a straight-line basis over the assets' estimated useful lives of one to ten years, within general and administrative expenses on the consolidated statements of operations and comprehensive loss.

Impairment of Long-Lived Assets

Long-lived assets include property and equipment, website and mobile application development and internal-use software, and intangible assets subject to amortization. Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In such cases, recoverability of assets to be held and used is assessed by comparing the carrying amount of assets with their future underlying net undiscounted cash flows without interest charges. If such assets are considered to be impaired, an impairment is recognized as the amount by which the carrying amount of the assets exceeds the estimated fair values of the assets. The Company recognized $0.4 million and $1.1 million of impairment charges on long-lived assets during the years ended December 31, 2023 and 2022 in general and administrative expenses on the consolidated statements of operations and comprehensive loss. There were no impairment charges on long-lived assets during the year ended December 31, 2021.

Operating Leases

The Company determines if an arrangement contains a lease at inception based on whether there is identified property, plant, or equipment and whether the Company controls the use of the identified asset throughout the period of use. The Company leases facilities for fulfillment and corporate purposes under non-cancelable operating leases with expiration dates between fiscal years 2025 and 2027.

The Company's operating leases are reflected in the operating lease right-of-use ("ROU") assets and in the operating lease liabilities in the accompanying consolidated balance sheets. The operating lease ROU assets represent the Company's right to use the underlying assets for the lease terms and the lease liabilities represent the Company's obligation to make lease payments arising from the leases. The operating lease ROU assets and lease liabilities are recognized at each lease's inception date based on the present value of lease payments over the lease term discounted based on the more readily determinable of (i) the rate implicit in the lease or (ii) the Company's incremental borrowing rate, which is the estimated rate the Company would be required to pay for a collateralized borrowing equal to the total lease payments over the term of the lease. Because the Company's operating leases do not provide an implicit rate, the Company estimates its incremental borrowing rate at the lease commencement date for borrowings with a similar term.

The Company's operating lease ROU assets are measured based on the corresponding operating lease liability adjusted for (i) payments made to the lessor at or before the commencement date, (ii) initial direct costs incurred, and (iii) tenant incentives under the lease. The Company does not assume renewals or early terminations unless it is reasonably certain to exercise these options at commencement. The Company monitors for events or changes in circumstances that require a reassessment of its leases. When a reassessment results in the remeasurement of a lease liability, an adjustment is made to the carrying amount of the corresponding ROU asset.

The Company does not allocate consideration between lease and non-lease components. The Company's lease agreements contain variable costs such as common area maintenance, operating expenses, or other costs. Variable lease payments are recognized in the period in which the obligation for those payments are incurred. In addition, the Company does not recognize ROU assets or operating lease liabilities for leases with a term of 12 months or less of all asset classes. Operating lease expense is recognized on a straight-line basis over each lease term.

Revenue Recognition

The Company recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

The Company's consolidated revenue primarily comprises online sales of health and wellness products and services through the Company's websites and mobile applications, including prescription and non-prescription products. In contracts that contain prescription products issued as the result of a consultation, revenue also includes medical consultation services and post-consultation service support provided by Affiliated Medical Groups (defined below). Additionally, the Company offers a range of health and wellness products through wholesale partners.

Revenue consists of the following (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Online Revenue	$ 842,381	$ 502,507	$ 259,170
Wholesale Revenue	29,619	24,409	12,708
Total revenue	$ 872,000	$ 526,916	$ 271,878

For Online Revenue, the Company defines its customer as an individual who purchases products or services through its websites or mobile applications. For Wholesale Revenue, the Company defines its customer as a wholesale partner, with the exception of consignment arrangements, where its customer is defined as an individual who purchases products through certain third-party platforms. The transaction price in the Company's contracts with customers is the total amount of consideration to which the Company expects to be entitled in exchange for transferring products or services to the customer.

The Company's contracts that contain prescription products issued as the result of a consultation primarily include the following performance obligations: access to (i) products, as well as medication adjustments, as applicable, and (ii) consultation services, as well as post-consultation service support, as applicable. The Company's contracts for prescription refills and

contracts that do not contain prescription products have a single performance obligation. Revenue is recognized at the time the related performance obligation is satisfied by transferring the promised product to the customer and, in contracts that contain services, by the provision of consultation services to the customer. The Company satisfies its performance obligation for products at a point in time, which is upon delivery of the products to a third-party carrier or customer warehouse. The Company satisfies its performance obligation for consultation services typically within one day and for post-consultation service support over the contract term. The customer obtains control of the products and services upon the Company's completion of its performance obligations.

For contracts with multiple performance obligations, the transaction price is allocated to each performance obligation on a relative stand-alone selling price basis. The stand-alone selling price is based on the prices at which the Company separately sells the products and services, as well as market and cost plus estimates. For each of the years ended December 31, 2023, 2022, and 2021, service revenue represented less than 10% of consolidated revenues.

To fulfill its promise to customers for contracts that include professional medical consultations, the Company maintains relationships with various "Affiliated Medical Groups," which are professional corporations or other professional entities owned by licensed physicians and that engage licensed healthcare professionals (physicians, physician assistants, nurse practitioners, and mental health providers; collectively referred to as "Providers" or individually, a "Provider") to provide consultation services. Refer to Note 12 – Variable Interest Entities. The Company accounts for service revenue as a principal in the arrangement with its customers. This conclusion is reached because (i) the Company determines which Affiliated Medical Group and Provider provides the consultation to the customer; (ii) the Company is primarily responsible for the satisfactory fulfillment and acceptability of the services; (iii) the Company incurs costs for consultation services even for visits that do not result in a prescription and the sale of products; and (iv) the Company, in its sole discretion, sets all listed prices charged on its websites and mobile applications for products and services.

Additionally, to fulfill its promise to customers for contracts that include sale of prescription products, the Company maintains relationships with (i) certain third-party pharmacies ("Partner Pharmacies" or individually, a "Partner Pharmacy") and (ii) XeCare, LLC ("XeCare") and Apostrophe Pharmacy LLC ("Apostrophe Pharmacy", and together with XeCare, the "Affiliated Pharmacies"), which are licensed mail order pharmacies providing prescription fulfillment solely to the Company's customers. The Partner Pharmacies and the Affiliated Pharmacies fill prescription orders for customers who have received a prescription from a prescribing Provider through the Company's websites and mobile applications. The Company accounts for prescription product revenue as a principal in the arrangement with its customers. This conclusion is reached because (i) the Company has sole discretion in determining which Partner Pharmacy or Affiliated Pharmacy fills a customer's prescription; (ii) Partner Pharmacies and Affiliated Pharmacies fill the prescription based on fulfillment instructions provided by the Company, including using the Company's branded packaging for generic products; (iii) the Company is primarily responsible to the customer for the satisfactory fulfillment and acceptability of the order; (iv) the Company is responsible for refunds of the prescription medication after transfer of control to the customer; and (v) the Company, in its sole discretion, sets all listed prices charged on its websites and mobile applications for products and services.

The Company estimates refunds using the expected value method primarily based on historical refunds granted to customers. The Company updates its estimate at the end of each reporting period and recognizes the estimated amount as contra-revenue with a corresponding refund liability. Sales, value-added, and other taxes are excluded from the transaction price and, therefore, from revenue.

The Company accounts for shipping activities, consisting of direct costs to ship products performed after the control of a product has been transferred to the customer, in cost of revenue.

For online sales, payment for prescription medication and non-prescription products is typically collected from the customer a few days in advance of product shipment in accordance with contract terms, with the exception of prepaid offerings for which payment is collected upfront with subsequent shipments typically occurring quarterly. Contract liabilities are recorded when payments have been received from the customer for undelivered products or services and are recognized as revenue when the performance obligations are later satisfied. Contract liabilities consisting of balances related to customer prepayments are recognized as current deferred revenue on the consolidated balance sheets since the associated revenue will be primarily recognized within the following month, with the exception of post-consultation service support and prepaid offerings which are recognized within the following year. For wholesale arrangements, payments are collected in accordance with contract terms.

Cost of Revenue

Cost of revenue consists of costs directly attributable to the products shipped and services rendered, including product costs, packaging materials, shipping costs, and labor costs directly related to revenue generating activities. Costs related to free products where there is no expectation of future purchases from a customer and depreciation and amortization on property, equipment, and software are considered to be operating expenses and are excluded from cost of revenue.

Stock-Based Compensation

The fair value of stock options, equity-classified warrants issued to vendors, restricted stock units ("RSUs"), and performance RSUs ("PRSUs") are measured at the grant date fair value. The fair value of employee stock options and vendor warrants are generally determined using the Black-Scholes Merton ("BSM") option-pricing model using various inputs, including estimates of expected volatility, term, risk-free rate, and future dividends. Stock options that were granted to the Company's CEO with performance and market conditions and earn-out RSUs were valued using the Monte Carlo simulation model. The Company recognizes compensation costs on a straight-line basis over the requisite service period of the employee and vendor, which is generally the vesting term of four years for options, warrants, and RSUs that do not have performance or market conditions. Stock options and RSUs with performance conditions are recognized when it is probable that performance criteria will be achieved and compensation cost is recognized using the accelerated attribution method. The Company accounts for forfeitures as they occur.

The Company's Employee Stock Purchase Plan ("ESPP") permits eligible employees to purchase the Company's Class A common stock during pre-specified offering periods at a discount established by the compensation committee. The purchase price is 85% of the lower of the fair market value of the Company's Class A common stock on the first trading day of the offering period and the fair market value on the purchase date. The ability to purchase shares of the Company's Class A common stock for a discount represents an option and, therefore, the ESPP is considered a compensatory plan. Accordingly, stock-based compensation expense is determined based on the option's grant-date fair value as estimated by applying the Black Scholes option-pricing model and is recognized over the requisite service period, which is the withholding period.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Under this method, deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax reporting basis of assets and liabilities. These differences are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company recognizes the effect on deferred income taxes of a change in tax rates in the period that includes the enactment date.

The Company provides a valuation allowance, if necessary, to reduce its deferred tax assets to the net amount it believes is more likely than not to be realized. The Company considers both positive and negative evidence, including its historical operating results, forecasts of future taxable income on a jurisdiction-by-jurisdiction basis, and ongoing tax planning strategies, to ascertain the need for a valuation allowance. In the event the Company determines that it would be able to realize its deferred income tax assets in the future in excess of their net recorded amount, it would make an adjustment to the valuation allowance, which would reduce the provision for income taxes.

The Company accounts for uncertain tax positions in accordance with the relevant guidance, which prescribes a two-step approach to recognize and measure uncertain tax positions taken or expected to be taken in the income tax return. The first step is to determine whether it is more likely than not that the tax position will be sustained on the basis of the technical merits of the position. 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. The Company's policy is to include interest and penalties related to unrecognized tax benefits, if any, within the provision for taxes on the consolidated statement of operations.

Employee Benefit Plan

The Company has established a 401(k) plan that qualifies as a deferred compensation arrangement under Section 401 of the Internal Revenue Code. The Company contributes 50% of eligible employee's elective deferrals up to an annual maximum of three thousand dollars per employee. The Company recognized matching contributions cost of $2.0 million, $1.2 million, and $0.7 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Advertising

For the years ended December 31, 2023, 2022, and 2021, advertising costs for customer acquisition and content production were $390.3 million, $235.6 million, and $103.5 million, respectively. Customer acquisition expenses are charged to expense as incurred and recorded within marketing expense on the consolidated statements of operations and comprehensive loss. The Company defers production costs associated with advertising campaigns until the date of first showing.

Other Comprehensive Income (Loss)

The Company's other comprehensive income (loss) is impacted by foreign currency translation and available-for-sale investment fair value adjustments. The impact of foreign currency translation is affected by the translation of assets and liabilities of the Company's United Kingdom foreign subsidiary, which is denominated in pounds sterling. The primary assets and liabilities affecting the adjustments are cash and cash equivalents, facility equipment, other assets, accounts payable and accrued liabilities, and long-term liabilities. The impact of available-for-sale securities is primarily affected by unrecognized gains and losses related to fluctuations in the fair market value of the securities.

Liquidity

To date, the Company has financed its operations principally from the sale of its equity, revenue from the Hims & Hers platform, and the incurrence of indebtedness. The Company has historically incurred negative cash flows from operating activities and significant losses from operations. While the Company had positive cash flows from operating activities for the year ended December 31, 2023, the Company may incur operating losses in the future due to continued investments into its business.

During the year ended December 31, 2023, the Company incurred a net loss of $23.5 million and had positive cash flows from operating activities of $73.5 million. As of December 31, 2023, the Company had an accumulated deficit of $368.2 million, cash and cash equivalents of $96.7 million, and short-term investments of $124.3 million.

The Company believes that its existing cash and investment balances are sufficient for the Company to meet its obligations through at least one year from the date of issuance of the consolidated financial statements. Management considers that there are no conditions or events in the aggregate that raise substantial doubt about the entity's ability to continue as a going concern for a period of at least one year from the date the consolidated financial statements are issued.

Recently Issued Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments in this Update expand reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for all public entities for annual periods beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of this guidance on its consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments in this Update expand income tax disclosure requirements, primarily through enhanced disclosures related to income taxes paid and the rate reconciliation. ASU 2023-09 is effective for all public entities for annual periods beginning after December 15, 2024, with early adoption permitted. The amendments should be applied on a prospective basis and retrospective application is permitted. The Company is evaluating the method of adoption and the impact of this guidance on its consolidated financial statements and related disclosures.

3. Recapitalization

As discussed in Note 1 – Organization, on the Closing Date, OAC completed the acquisition of Hims and acquired 100% of Hims' shares and Hims received gross proceeds of $197.7 million. Transaction costs of $18.7 million, which consist of legal, accounting, and other professional services directly related to the Merger, are included in additional paid-in capital on the consolidated balance sheet. On the Closing Date, each Hims stockholder received approximately 0.4530 shares of the Company's Class A common stock, par value $0.0001 per share, for each share of Hims Class A common stock, par value

$0.000001 per share, that such stockholder owned (with the CEO receiving 0.4530 shares of the Company's Class V common stock, par value $0.0001 per share, for each share of Hims Class V common stock, par value $0.000001 per share, that the CEO owned). Each Hims stockholder also received 0.0028 warrants exercisable for the Company's Class A common stock, for each share of Hims Class A or Class V common stock owned by such stockholder prior to the Merger and earn-out shares at an exchange ratio of 0.0443.

As additional consideration, OAC also granted 888,143 OAC Class A common stock warrants ("Parent Warrants") to Hims' stockholders, 3,443 Parent Warrants to warrant holders, and approximately 35,000 RSUs to Hims' option and RSU holders ("Parent Warrant RSUs").

All equity awards of Hims were assumed by OAC and converted into comparable equity awards that are settled or exercisable for shares of the Company's Class A common stock. As a result, each stock option was converted into an option to purchase shares of the Company's Class A common stock based on an exchange ratio of 0.4530. Each award of the Hims' RSUs was converted into RSUs of the Company based on an exchange ratio of 0.4530. Similarly, all outstanding Hims warrants were converted at an exchange ratio of 0.4530.

The Merger was accounted for as a reverse recapitalization with Hims as the accounting acquirer and OAC as the acquired company for accounting purposes. Hims was determined to be the accounting acquirer since Hims' shareholders prior to the Merger had the greatest voting interest in the combined entity, Hims' shareholders appointed the initial directors of the combined Board of Directors and control future appointments, Hims comprises all of the ongoing operations, and Hims' senior management directs operations of the combined entity. Accordingly, all historical financial information presented in these consolidated financial statements represents the accounts of Hims and its wholly-owned subsidiaries as if Hims, rather than OAC, is the predecessor to the Company. No step-up basis of intangible assets or goodwill was recorded and net assets were stated at historical cost consistent with the treatment of the transaction as a reverse recapitalization of Hims. The shares and net loss per common share prior to the Merger have been retroactively restated as shares reflecting the exchange ratio established in the Merger (0.4530 Company shares for 1 Hims share).

Merger Earn-Out Shares

Following the closing of the Merger, holders of Hims' common stock and outstanding equity awards (including warrant, stock option and RSU holders) had the right to receive up to an aggregate amount of 16,000,000 shares of Company Class A common stock (or equivalent equity award) that would vest (in part) in equal thirds if the trading price of the Company's Class A common stock was greater than or equal to $15.00, $17.50, and $20.00 for any 10 trading days within any 20-trading day period on or prior to the date that is five years following the Closing Date. These shares of restricted Class A common stock and equivalent equity awards would also vest in connection with an acquisition of the Company if the applicable thresholds were met in any sale (as defined in the Merger Agreement) but subject to the same five-year deadline. In February 2021, all earn-out thresholds were met. In the first quarter of 2021, earn-out awards related to option holders received final approval by the Board of Directors. The earn-out shares are equity classified since they do not meet the liability classification criteria outlined in ASC 480, *Distinguishing Liabilities from Equity* and are both (i) indexed to the Company's own shares and (ii) meet the criteria for equity classification.

PIPE Investment

Concurrently with the execution of the Merger Agreement, OAC entered into subscription agreements on September 30, 2020 with certain investors (the "PIPE Investors") pursuant to which such investors collectively subscribed for 7,500,000 shares of the Company's Class A common stock at $10.00 per share for aggregate gross proceeds of $75.0 million (the "PIPE Investment"). The PIPE Investment was consummated substantially concurrently with the closing of the Merger.

4. Acquisitions

The Company completed two acquisitions in 2021 and accounted for these transactions using the acquisition method with the purchase prices being allocated to tangible and identifiable intangible assets acquired and liabilities assumed based on their respective estimated fair values on the acquisition dates. Fair values were determined using income approaches.

Honest Health Limited

In June 2021, the Company acquired all of the outstanding equity of Honest Health Limited, which is now Hims & Hers UK Limited ("HHL"), an entity located in the United Kingdom that offers health and wellness products and services, to further expand its operations in the United Kingdom. The purchase price for accounting purposes was $4.8 million, including cash paid upfront and payable in the future, an aggregate of 624,880 shares of the Company's Class A common stock valued at $1.9 million, and contingent consideration of $1.2 million. The purchase agreement includes up to $10.0 million of potential earn-out payable in cash and stock upon achievement of revenue targets, which is recognized as contingent consideration as well as post-acquisition employment expense.

The purchase price for accounting purposes excludes stock and cash consideration to be paid by the Company that is subject to vesting, which is recognized as selling, general, and administrative expenses post-acquisition. See Note 15 – Stockholders' Equity for additional details. The Company also incurred acquisition costs of $1.9 million directly related to the acquisition, as well as post-acquisition employment expense of $0.7 million, which were recorded within selling, general, and administrative expenses on the consolidated statements of operations and comprehensive loss.

The following table summarizes the acquisition date fair values of assets acquired and liabilities assumed (in thousands):

Trade name	$	1,470
Other intangible assets		570
Goodwill		2,739
Other net assets		24
Net assets acquired	$	4,803

The excess of the consideration paid over the fair value of the net assets acquired is recorded as goodwill. The acquired goodwill of $2.7 million represents future economic benefits expected to arise from synergies from combining operations and commercial organizations to increase market presence and the extension of existing customer relationships. The goodwill recognized upon acquisition is not expected to be deductible for U.S. or U.K. income tax purposes.

The pro forma financial information, assuming the acquisition had taken place on January 1, 2021, as well as the revenue and earnings generated during the period after the acquisition date, were not material for separate disclosure and, accordingly, have not been presented.

Apostrophe

In July 2021, the Company acquired all of the outstanding equity of YoDerm, Inc. ("Apostrophe"), an entity located in the United States that offers health and wellness products and services. The purchase price for accounting purposes was $131.6 million, including cash payments of $48.2 million, an aggregate of 8,074,935 shares of the Company's Class A common stock valued at $50.7 million, and contingent consideration of $32.7 million. The purchase agreement includes up to $50.0 million of potential earn-out payable in cash upon achievement of revenue targets, which is recognized as contingent consideration or post-acquisition employment expense depending on whether the vesting is contingent on continued employment beyond the acquisition date.

The purchase price for accounting purposes excludes stock consideration issued by the Company that is subject to vesting, which is recognized as selling, general, and administrative expenses post-acquisition. See Note 15 – Stockholders' Equity for additional details**.** The Company also incurred acquisition costs of $5.0 million directly related to the acquisition, as well as

post-acquisition employment expense of $0.5 million, which were recorded within selling, general, and administrative expenses on the consolidated statements of operations and comprehensive loss.

The following table summarizes the acquisition date fair values of assets acquired and liabilities assumed (in thousands):

Trade name	$ 22,700
Other intangible assets	3,140
Goodwill	108,142
Other net liabilities	(2,346)
Net assets acquired	$ 131,636

The fair value measurements of the identified intangible assets were based primarily on significant unobservable inputs and thus represent a Level 3 measurement as defined in ASC 820. The fair values of trade name and developed technology were determined using the relief-from-royalty method under the income approach. This involves forecasting avoided royalties, reducing them by taxes, and discounting the resulting net cash flows to a present value using an appropriate discount rate. Judgment was applied for a number of assumptions in valuing the identified intangible assets including revenue and cash flow forecasts, customer churn rate, technology life, royalty rate, and discount rate. The fair value of customer relationships was determined using the multi-period excess earnings method which involves forecasting the net earnings expected to be generated by the asset, reducing them by appropriate returns on contributory assets, and then discounting the resulting net cash flows to a present value using an appropriate discount rate.

The excess of the consideration paid over the fair value of the net assets acquired is recorded as goodwill. The acquired goodwill of $108.1 million represents future economic benefits expected to arise from synergies from combining operations and commercial organizations to increase market presence and the extension of existing customer relationships. The goodwill recognized upon acquisition is not expected to be deductible for U.S. income tax purposes.

From the acquisition date through December 31, 2021, the Company recognized revenue related to Apostrophe of approximately $11 million. Incremental pro forma revenue attributed to Apostrophe, assuming the acquisition had occurred as of January 1, 2021, would have been approximately $21 million for the year ended December 31, 2021. The pro forma revenue is presented for informational purposes only and does not purport to be indicative of the results of future operations or the results that would have occurred had the transaction taken place on January 1, 2021. Pro forma earnings of Apostrophe, assuming the acquisition had occurred as of January 1, 2021, as well as earnings generated during the period after the acquisition date, were not material for separate disclosure and, accordingly, have not been presented.

5. Investments

Short-term investments as of December 31, 2023, consist of the following (in thousands):

	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury bills	$ 63,809	$ 24	$ —	$ 63,833
Corporate bonds	39,152	18	(1)	39,169
Government and government agency	20,624	—	(14)	20,610
Asset-backed bonds	705	1	—	706
Total short-term investments	$ 124,290	$ 43	$ (15)	$ 124,318

Short-term investments as of December 31, 2022, consist of the following (in thousands):

	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
Corporate bonds	$ 99,672	$ —	$ (106)	$ 99,566
Government and government agency	33,317	17	(47)	33,287
Total short-term investments	$ 132,989	$ 17	$ (153)	$ 132,853

6. Inventory

Inventory consists of the following (in thousands):

	December 31,	
	2023	2022
Finished goods	$ 15,221	$ 16,477
Raw materials	7,243	5,085
Total inventory	$ 22,464	$ 21,562

7. Prepaid Expenses and Other Current Assets

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

	December 31,	
	2023	2022
Wholesale trade receivables	$ 5,705	$ 3,231
Prepaid expenses	10,665	10,392
Other current assets	5,238	1,785
Total prepaid expenses and other current assets	$ 21,608	$ 15,408

8. Property, Equipment, and Software, Net

Property, equipment, and software, net consist of the following (in thousands):

	December 31,	
	2023	2022
Purchased and internal-use software and website development	$ 22,970	$ 12,055
Facility equipment and other tangible property	8,254	3,598
Leasehold improvements	2,256	155
Assets not placed in service	14,907	1,632
Total property, equipment, and software	48,387	17,440
Less: accumulated depreciation and amortization	(12,244)	(6,241)
Total property, equipment, and software, net	$ 36,143	$ 11,199

Depreciation and amortization expense for property, equipment, and software was $6.0 million, $3.4 million, and $2.0 million for the years ended December 31, 2023, 2022, and 2021, respectively.

Impairment expense for property, equipment, and software was $0.4 million for each of the years ended December 31, 2023 and 2022. There was no impairment expense for the year ended December 31, 2021.

9. Intangible Assets, Net

Intangible assets, net as of December 31, 2023 consist of the following (in thousands):

	Gross Amount	Accumulated Amortization and Impairment	Net Carrying Value	Weighted Average Remaining Useful Life (Years)
Trade name	$ 24,170	$ (6,880)	$ 17,290	7.4
Other	4,803	(3,519)	1,284	5.7
Intangible assets, net	$ 28,973	$ (10,399)	$ 18,574	7.3

Intangible assets, net as of December 31, 2022 consist of the following (in thousands):

	Gross Amount	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life (Years)
Trade name	$ 24,170	$ (4,504)	$ 19,666	8.4
Other	4,581	(2,406)	2,175	4.7
Intangible assets, net	$ 28,751	$ (6,910)	$ 21,841	8.0

Amortization expense for intangible assets was $3.5 million, $4.1 million, and $2.1 million for the years ended December 31, 2023, 2022, and 2021, respectively. Impairment expense for intangible assets was $0.7 million for the year ended December 31, 2022. There was no impairment expense for the years ended December 31, 2023 and 2021.

Amortization that will be charged to expense over the remaining life of the intangible assets subsequent to December 31, 2023 is as follows (in thousands):

2024	$ 2,800
2025	2,611
2026	2,472
2027	2,353
2028 and thereafter	8,338
	$ 18,574

10. Accrued Liabilities

Accrued liabilities consist of the following (in thousands):

	December 31,	
	2023	2022
Marketing	$ 12,331	$ 4,990
Payroll	7,888	4,999
Professional services	5,341	643
Tax	2,009	963
Product and shipping	562	263
Other accruals	841	590
Total accrued liabilities	$ 28,972	$ 12,448

11. Operating Leases

The Company has various operating leases for fulfillment and corporate facilities with lease periods expiring between fiscal years 2025 and 2027. The operating lease agreements provide for rental payments on a graduated basis and for options to renew, which could increase future minimum lease payments if exercised. The Company utilizes the reasonably certain threshold criteria in determining which options it will exercise. During the year ended December 31, 2023, a reassessment due to significant leasehold improvements to the Company's leased facilities resulted in the remeasurement of the lease liability and an adjustment of $5.7 million to the carrying amount of the corresponding ROU asset.

For the years ended December 31, 2023, 2022, and 2021, the Company recorded operating lease costs of $2.4 million, $1.9 million, and $1.8 million, respectively, including variable operating lease costs of $0.4 million for the year ended December 31, 2023 and $0.3 million for each of the years ended December 31, 2022 and 2021.

For the years ended December 31, 2023, 2022 and 2021, operating cash flows used for operating leases were $1.9 million, $1.6 million, and $1.5 million, respectively. As of December 31, 2023, the weighted average remaining lease term and weighted average discount rate were 6.2 years and 8.9%, respectively.

Future minimum lease payments under the Company's non-cancelable operating lease with an initial lease term in excess of one year subsequent to December 31, 2023 are as follows (in thousands):

2024	$	2,114
2025		2,207
2026		2,219
2027		1,955
2028		1,696
2029 and thereafter		2,827
Gross lease payments		13,018
Less: imputed interest		(3,070)
Present value of net future minimum lease payments	$	9,948

12. Variable Interest Entities

The variable interest entities ("VIEs") are: (i) the Affiliated Medical Groups; and (ii) the Affiliated Pharmacies. The Company determined that it is the primary beneficiary of these entities for accounting purposes because it has the ability to direct the activities that most significantly affect the entities' economic performance and has the obligation to absorb the losses. Under the VIE model, the Company presents the results of operations, cash flows, and the financial position of the VIEs as part of the consolidated financial statements of the Company as if the consolidated group were a single economic entity. The assets of the VIEs can only be used to settle the obligations of the VIEs. There is no noncontrolling interest upon consolidation of the entities. The results of operations and cash flows of the VIEs are also included in the Company's consolidated financial statements.

As of December 31, 2023 and 2022, the Company's consolidated balance sheets included current assets of $24.1 million and $7.5 million, respectively, and total assets of $24.1 million and $7.7 million, respectively, for the VIEs. As of December 31, 2023 and 2022, current and total liabilities were $6.0 million and $3.7 million, respectively. All amounts are after elimination of intercompany transactions, balances, and non-cash impact of operating leases.

For the years ended December 31, 2023, 2022, and 2021, the VIEs charged the Company $96.3 million, $64.2 million, and $23.6 million, respectively, for services rendered. For the years ended December 31, 2023, 2022, and 2021 operations of the VIEs generated net income of $3.3 million and $9.1 million, and a net loss of $3.3 million, respectively, inclusive of administrative expenses.

13. Fair Value Measurements

The Company's fair value hierarchy for its financial assets that are measured at fair value on a recurring basis as of December 31, 2023, is as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents:				
Money market funds	$ 42,492	$ —	$ —	$ 42,492
Short-term investments:				
U.S. Treasury bills	63,833	—	—	63,833
Corporate bonds	—	39,169	—	39,169
Government and government agency	—	20,610	—	20,610
Asset-backed bonds	—	706	—	706
Restricted cash:				
Money market funds	856	—	—	856
Total assets	$ 107,181	$ 60,485	$ —	$ 167,666

The Company's fair value hierarchy for its financial assets and liabilities that are measured at fair value on a recurring basis as of December 31, 2022, is as follows (in thousands):

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents:				
Money market funds	$ 24,606	$ —	$ —	$ 24,606
Government bonds	—	11,315	—	11,315
Short-term investments:				
Corporate bonds	—	99,566	—	99,566
Government and government agency	—	33,287	—	33,287
Restricted cash:				
Money market funds	856	—	—	856
Total assets	$ 25,462	$ 144,168	$ —	$ 169,630
Liabilities				
Earn-out liability	$ —	$ —	$ 2,975	$ 2,975
Total liabilities	$ —	$ —	$ 2,975	$ 2,975

The fair values of cash, accounts receivable, accounts payable, and accrued liabilities approximated their carrying values as of December 31, 2023 and 2022, due to their short-term nature. All other financial instruments, except for earn-out liability, are valued either based on recent trades of securities in active markets or based on quoted market prices of similar instruments and other significant inputs derived from or corroborated by observable market data. During the years ended December 31, 2023, 2022, and 2021, the Company had no transfers between levels of the fair value hierarchy of its assets or liabilities measured at fair value.

As of December 31, 2022, the earn-out liability, which was solely related to the acquisition of HHL, was classified as a Level 3 fair value measurement containing significant unobservable inputs including estimates of achieving certain revenue targets. At inception, the fair value of the earn-out liability associated with the HHL acquisition was determined based on revenue

projections and probability of achievement of revenue targets as evaluated using a Monte Carlo simulation. The following assumptions were used to determine the fair value at inception:

	HHL
Revenue risk-adjusted discount rate	9.1 %
Revenue volatility	50.0 %
Counterparty discount rate	5.0 %

As of December 31, 2023, all contingencies related to the HHL earn-out liability were resolved and the final earn-out payout was determined based on actual revenue from the acquisition date through December 31, 2023. Therefore, the HHL earn-out liability was removed from the fair value hierarchy and reclassified to earn-out payable.

The fair value of the earn-out liability was remeasured at each reporting period. This change in fair value was related to contingent consideration and compensation costs (see Note 15 – Stockholders' Equity) and was recognized in other income (expense) and general and administrative expenses, respectively, on the consolidated statements of operations and comprehensive loss. The change in the fair value of earn-out liabilities is as follows (in thousands):

Balance at December 31, 2021	$ 1,999
Change in fair value due to revaluation and service-based vesting	976
Balance at December 31, 2022	2,975
Change in fair value due to revaluation and service-based vesting	4,437
Reclassification to earn-out payable	(7,412)
Balance at December 31, 2023	$ —

14. Commitments and Contingencies

Purchase Obligations

The Company has non-cancelable contractual obligations to make future purchases, primarily related to cloud-based software contracts used in operations. As of December 31, 2023, purchase obligations were $7.3 million, with $4.8 million payable in 2024, $2.4 million payable in 2025, and $0.1 million payable in 2026.

Lease Commitments

Refer to Note 11 – Operating Leases for discussion of the Company's future lease commitments.

Legal Proceedings

From time to time, the Company is a party to litigation, various claims, and other legal and administrative proceedings arising in the ordinary course of business. Some of these claims, lawsuits, and other proceedings may involve highly complex issues that are subject to substantial uncertainties, and could result in damages, fines, penalties, non-monetary sanctions, or relief. Management is not currently aware of any matters that are reasonably likely to have a material adverse impact on the Company's business, financial position, results of operations, or cash flows.

15. Stockholders' Equity

Common Stock

The Company has two classes of common stock, Class A and Class V common stock. The rights are identical, including liquidation and dividend rights, except Class V common stock has additional voting rights.

Share Repurchase Program

On October 26, 2023, the Board of Directors authorized and approved a share repurchase program pursuant to which the Company may repurchase up to $50.0 million of the Company's Class A common stock. The program expires on November 8, 2025. The Company intends to use the program to repurchase shares on a discretionary basis from time to time, subject to general business and market conditions and other investment opportunities, through open market purchases, privately negotiated transactions or other means, including through 10b5-1 trading plans. This repurchase program may be suspended or discontinued at any time.

During the year ended December 31, 2023, the Company repurchased and retired 237,458 shares of Class A common stock under the program for $2.0 million. As of December 31, 2023, $48.0 million remains available under the program.

RSU Releases

During the years ended December 31, 2023, 2022, and 2021, the Company released 5,201,501, 2,333,695, and 1,810,545 gross shares of Class A common stock, respectively, upon vesting of RSUs. In connection with the releases, 1,729,045, 701,584, and 620,759 shares of Class A common stock, respectively, were withheld for the payment of employee taxes.

2017 Stock Plan and 2020 Equity Incentive Plan

In July 2017, Hims adopted the 2017 Stock Plan (the "2017 Plan"). Under the 2017 Plan, the board of directors of Hims granted awards, including incentive stock options, non-statutory stock options, stock appreciation rights, restricted stock awards, RSU awards, and other stock awards to employees, directors, and consultants of Hims.

In January 2021, in connection with the Merger, the Board of Directors adopted the 2020 Equity Incentive Plan (the "2020 Plan") and reserved 21,000,000 authorized shares of Class A common stock the Company could issue. In addition, up to 19,000,000 shares of Hims Class A common stock subject to awards granted under the 2017 Plan that were forfeited, expired, or lapsed unexercised or unsettled could be added to the 2020 Plan reserve. Beginning on January 1, 2022 and ending on January 1, 2031, the number of authorized shares of common stock under the 2020 Plan will automatically increase each fiscal year by 5% of the total number of Class A and Class V common stock issued and outstanding on the last day of the preceding fiscal year unless the Board of Directors approves a lesser number. As of the effective date of the 2020 Plan, no further stock awards have been or will be granted under the 2017 Plan. As of December 31, 2022, there were 33,101,677 and 10,963,031 shares of Class A common stock reserved and available for issuance, respectively, under the 2020 Plan. For the year ended December 31, 2023, 89,810 shares of Class A common stock subject to awards granted under the 2017 Plan that were forfeited after the adoption of the 2020 Plan were added to the 2020 Plan reserve. Additionally, on January 1, 2023, 10,421,465 shares of Class A common stock were automatically added to the 2020 Plan reserve. Therefore, as of December 31, 2023, there were 43,612,952 shares of Class A common stock reserved and 12,577,863 shares of Class A common stock available for issuance under the 2020 Stock Plan. There were no more shares available for grant under the 2017 Plan since the 2017 Plan was replaced by the 2020 Plan.

2020 Employee Stock Purchase Plan

In January 2021, the Board of Directors adopted the Company's Employee Stock Purchase Plan ("ESPP"). The total shares of Class A common stock initially reserved under the ESPP is limited to 4,000,000 shares of Class A common stock. Beginning on January 1, 2022 and ending on January 1, 2041 (unless extended by the Board of Directors and approved by the Company's shareholders), the number of authorized shares of common stock under the ESPP will automatically increase each fiscal year by the lesser of (i) 1% of the total number of Class A and Class V common stock issued and outstanding on the last day of the preceding fiscal year, (ii) 12,000,000 shares of Class A common stock, or (iii) a number of shares of Class A common stock determined by the Board of Directors. As of December 31, 2022, there were 6,047,919 and 5,654,391 shares of Class A common stock reserved and available for issuance, respectively, under the ESPP. There were no shares added to the ESPP reserve on January 1, 2023. Therefore, as of December 31, 2023, there were 6,047,919 shares of Class A common stock reserved for issuance under the ESPP. During the years ended December 31, 2023 and 2022, respectively, the Company issued 594,885 and 393,528 shares of Class A common stock under the ESPP. No shares were issued under the ESPP during the year ended December 31, 2021. As of December 31, 2023, there were 5,059,506 shares of Class A common stock available for issuance under the ESPP.

Under the ESPP, eligible employees may purchase the Company's Class A common stock during pre-specified offering periods at a discount established by the Company's compensation committee. The purchase price is 85% of the lower of the fair market value of the Company's Class A common stock on the first trading day of the offering period or the fair market value on the purchase date. Under the ESPP, the Company may specify offering periods with durations of not more than 27 months, and may specify shorter purchase periods within each offering period.

Employees participating in the ESPP commence payroll withholdings that accumulate through the end of the respective offering period. As of December 31, 2023, $0.5 million has been withheld via employee payroll deductions for employees who have opted to participate in the purchase periods ending May 2024.

As of December 31, 2023, there was $2.0 million of unrecognized stock-based compensation related to the ESPP which is expected to be recognized over a weighted average period of 1.43 years.

Stock Options

Options for new employees generally vest over four years, with 25% vesting one year after the vesting commencement date and then 1/48th of the total grant vesting monthly thereafter. Options granted to current employees generally vest 1/48th of the total grant monthly over four years. Options granted are exercisable within a period not exceeding ten years from the grant date.

On June 17, 2020, the board of directors of Hims granted 3,246,139 and 1,623,070 stock options to the CEO with an exercise price of $2.43 to vest upon either (i) an acquisition of the Company with per share consideration equal to at least $22.99 and $38.31, respectively, or (ii) a per share price on a public stock exchange that is at least equal to $22.99 and $38.31, respectively. The CEO is required to be employed at the time the per share consideration/price is achieved in order to receive the awards, but the awards are not subject to any other service condition. The Company recognizes expense related to these awards based on the fair value and derived service period as measured using a Monte Carlo simulation model, and the expense is accelerated if the requirements outlined in (i) and (ii) above are achieved. The grant date fair value was $16.6 million for these awards. The $22.99 per share price threshold related to awards for the 3,246,139 stock options was achieved in February 2021. As of December 31, 2023, 313,257 of these stock options have been exercised at a weighted average exercise price of $2.43. As of December 31, 2023, there was $0.4 million of remaining compensation expense to be recognized for the remaining 1,623,070 stock options over a period of 0.29 years.

On February 24, 2022, the Board of Directors granted 2,085,640 stock options to the CEO with an exercise price of $5.01 that vest in four equal tranches. On each anniversary date after February 24, 2022, 25% of the shares subject to the options will vest provided that (i) the CEO is employed on the anniversary date and (ii) the closing price of the Company's Class A common stock is more than $10 per share in 20 of the 30 trading days prior to the anniversary date. The award is not subject to any other service condition. Vesting is cumulative in subsequent years if the market condition was not previously met. The Company recognizes expense related to this award for each tranche individually based on the fair value and requisite service period, which is the greater of the derived service period and the explicit service period. The fair value and the derived service term of the market condition were both measured using a Monte Carlo simulation model. The total grant date fair value was $3.8 million for this award. As of December 31, 2023, no shares have vested and there was $1.1 million of remaining compensation expense to be recognized over a period of 2.15 years.

The grant date fair value of the Company's stock options granted (excluding the stock options granted to the CEO outlined above) was estimated using the following weighted average assumptions:

	Year Ended December 31,		
	2023	2022	2021
Expected term (in years)	6.02	6.02	5.94
Expected volatility	49.9 %	48.0 %	58.6 %
Risk-free interest rate	4.2 %	2.0 %	0.9 %
Expected dividend yield	— %	— %	— %

Option activity (excluding the stock options granted to the CEO outlined above) is as follows (in thousands, except for weighted average exercise price and weighted average contractual term in years):

	Shares	Weighted Average Exercise Price	Weighted Average Contractual Period (in Years)	Aggregate Intrinsic Value
Outstanding at December 31, 2022	14,450	$ 4.68	7.98	$ 35,771
Granted	603	11.53		
Exercised	(912)	1.74		
Forfeited and expired	(357)	6.50		
Outstanding at December 31, 2023	13,784	5.14	7.14	57,972
Exercisable as of December 31, 2023	9,688	4.55	6.68	45,759

The weighted average grant date fair value of options granted for the years ended December 31, 2023, 2022, and 2021 was $6.09, $2.44, and $6.51 per share, respectively, and the intrinsic value of vested options exercised was $6.2 million, $6.3 million, and $12.6 million, respectively.

As of December 31, 2023, there was $15.3 million of unrecognized stock-based compensation related to unvested stock options (excluding the stock options granted to the CEO outlined above) which is expected to be recognized over a weighted average period of 2.04 years.

The options outstanding and exercisable as of December 31, 2023 (excluding the stock options granted to the CEO outlined above) have been aggregated into ranges for additional disclosure as follows (in thousands, except weighted average remaining contractual life and exercise price):

	Options Outstanding		Options Exercisable	
Exercise Price	Shares	Weighted Average Remaining Contractual Life (in Years)	Shares	Weighted Average Remaining Contractual Life (in Years)
$0.06 – 0.40	1,422	4.23	1,422	4.23
1.55 – 1.75	760	5.37	760	5.37
2.43 – 3.11	2,751	6.43	2,751	6.43
5.01 – 6.82	5,913	8.18	2,690	8.18
8.13 – 11.53	2,127	7.68	1,499	7.20
12.21 – 15.17	811	7.32	566	7.31
	13,784		9,688	

The options outstanding and exercisable as of December 31, 2022 (excluding the stock options granted to the CEO outlined above) have been aggregated into ranges for additional disclosure as follows (in thousands, except weighted average remaining contractual life and exercise price):

	Options Outstanding		Options Exercisable	
Exercise Price	Shares	Weighted Average Remaining Contractual Life (in Years)	Shares	Weighted Average Remaining Contractual Life (in Years)
$0.06 – 0.40	1,830	5.21	1,830	5.21
1.55 – 1.75	959	6.43	959	6.43
2.43 – 3.11	3,037	7.50	2,921	7.42
5.01 – 6.82	6,190	9.21	977	9.17
8.13 – 9.41	1,569	8.13	1,301	8.04
12.21 – 15.17	865	8.19	401	8.03
	14,450		8,389	

RSUs

RSUs for new employees generally vest over four years, with 25% vesting one year after the vesting commencement date on the first Company Quarterly Vesting Date (defined below) and the remaining grant vesting quarterly thereafter on the specified vesting dates of March 15, June 15, September 15, and December 15 (each, a "Company Quarterly Vesting Date" or collectively, "Company Quarterly Vesting Dates"). Additional RSUs granted to current employees generally vest quarterly on Company Quarterly Vesting Dates over four years.

RSU activity (excluding the performance RSUs outlined below) is as follows (in thousands, except for weighted average grant date fair value):

	Shares	Weighted Average Grant Date Fair Value
Unvested at December 31, 2022	11,601	$ 6.40
Granted	10,198	9.64
Vested	(5,202)	7.54
Forfeited and expired	(2,114)	7.40
Unvested at December 31, 2023	14,483	$ 8.08

Included in the above activity are 476,308 earn-out RSUs and 9,478 Parent Warrant RSUs issued to the CEO in January 2021 that vest in accordance with the same market conditions as the CEO stock options, of which 317,539 earn-out RSUs and 6,319 Parent Warrant RSUs have vested as of December 31, 2023. In addition, the Company granted 45,297 RSUs in 2020 and 4,431 earn-out RSUs and 88 Parent Warrant RSUs in January 2021 to a non-executive officer that vest upon meeting certain revenue targets from the sale of specific products, all of which have vested as of December 31, 2023. These grants are also included in the above activity.

As of December 31, 2023, $103.8 million of unrecognized stock-based compensation related to unvested RSUs (excluding the performance RSUs outlined below) which is expected to be recognized over a weighted average period of 2.91 years.

Performance RSUs

On March 1, 2023, the Board of Directors granted awards of 1,115,709 target shares of PRSUs to certain executive officers. As of December 31, 2023, 11,408 shares subject to PRSUs have been forfeited. The PRSUs vest at the end of a three-year period,

with the number of shares earned ranging from 0% to 200% of the target, provided that (i) the recipient remains employed at the end of the period and (ii) the Company achieves certain performance metrics related to the 2025 fiscal year.

The total grant date fair value of the awards was $12.9 million, which was based on the probable achievement of 100% of the target. The Company will continue to evaluate the likelihood of achieving the performance metrics on a quarterly basis. As of December 31, 2023, there was unrecognized stock-based compensation expense related to unvested PRSUs of $11.5 million, which is expected to be recognized over a weighted average period of 2.21 years.

Warrants

As of December 31, 2023, there were 462,335 Class A common stock warrants outstanding and exercisable issued to nonemployees in connection with vendor service arrangements, with a weighted average exercise price of $1.75, a weighted average contractual term of 7.01 years, and an aggregate intrinsic value of $3.3 million. Upon the exercise of outstanding warrants, vendors also have the right to receive 45,225 shares of Class A common stock. As of December 31, 2023, all stock-based compensation expense related to vendor warrants and associated earn-out shares has been recognized.

As of December 31, 2023, there were 98,723 Class A common stock warrants outstanding and exercisable issued in connection with a historical debt arrangement, with a weighted average exercise price of $6.96, a weighted average contractual term of 6.71 years, and an aggregate intrinsic value of $0.2 million. These debt warrants were settled in additional paid-in capital as a result of their conversion to equity-classified Class A common stock warrants.

Stock Subject to Vesting and Earn-out Share Liability

In June 2021, the Company granted 447,553 restricted shares of Class A common stock subject to vesting with an aggregate grant date fair value of $5.5 million in connection with the acquisition of HHL. As part of the acquisition of HHL, the Company also recognized an earn-out liability based on the achievement of certain revenue targets. A portion of the earn-out liability is expected to be settled in shares of Class A common stock. Vesting of the restricted shares and a portion of total earn-out payable to specific individuals are contingent on each recipient's continued employment. Accordingly, the Company has recognized stock-based compensation expense related to these awards for the years ended December 31, 2023, 2022, and 2021. The expense is being recognized over a four-year vesting period with 25% vesting one year after the acquisition date and the remaining vesting quarterly thereafter. As of December 31, 2023, there was unrecognized stock-based compensation expense of $2 million, which will be recognized over a weighted average period of 1.45 years.

In July 2021, the Company granted 2,332,557 restricted shares of Class A common stock subject to vesting with an aggregate grant date fair value of $24.2 million in connection with the acquisition of Apostrophe. Vesting of the restricted shares is contingent on each recipient's continued employment. Accordingly, the Company has recognized stock-based compensation expense related to these awards for the years ended December 31, 2023, 2022, and 2021. The expense is being recognized over a three-year vesting period with 17% vesting 6 months after the acquisition date and the remaining vesting quarterly thereafter. As of December 31, 2023, there was unrecognized stock-based compensation expense of $3.7 million, which will be recognized over a weighted average period of 0.50 years.

Stock-Based Compensation Expense

The following table summarizes stock-based compensation expense for employees and nonemployees, by category, on the consolidated statements of operations and comprehensive loss for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Marketing	$ 5,477	$ 4,648	$ 9,664
Operations and support	6,815	2,684	2,735
Technology and development	7,126	4,327	4,481
General and administrative	46,662	31,158	50,331
Total stock-based compensation expense	$ 66,080	$ 42,817	$ 67,211

The Company capitalized $1.7 million, $0.6 million, and $0.7 million of stock-based compensation, as internal-use software for the years ended December 31, 2023, 2022, and 2021 , respectively.

16. Related-Party Transactions

For the years ended December 31, 2023, 2022, and 2021, the Company recorded a total of $4.6 million, $3.6 million, and $3.5 million, respectively, within operating expenses on the consolidated statements of operations and comprehensive loss for payments made to Terminal, Inc., a related party company that provides professional services to the Company, primarily to support engineering and operations functions.

In addition, for the years ended December 31, 2023, 2022, and 2021, the Company recorded $2.1 million, $1.0 million, and $0.7 million, respectively, within operating expenses on the consolidated statements of operations and comprehensive loss for payments made to Vouched, a related-party company that provides identity verification services.

17. Basic and Diluted Net Loss per Share

The Company uses the two-class method to calculate net loss per share. No dividends were declared or paid for the years ended December 31, 2023, 2022, and 2021. Undistributed earnings for each period are allocated equally to participating securities based on the contractual participation rights of the security to share in the current earnings as if all current period earnings had been distributed. The Company's basic net loss per share is computed by dividing the net loss attributable to common stockholders by the weighted average shares of common stock outstanding during periods with undistributed losses.

The following table sets forth the computation of the Company's basic and diluted net loss per share attributable to common stockholders (in thousands, except share and per share amounts):

	Year Ended December 31,					
	2023		2022		2021	
	Class A	Class V	Class A	Class V	Class A	Class V
Numerator:						
Net loss attributable to common stockholders	$ (22,604)	$ (942)	$ (62,988)	$ (2,690)	$ (103,082)	$ (4,577)
Denominator:						
Weighted average shares outstanding, basic and diluted	200,967,089	8,377,623	196,138,497	8,377,623	178,840,009	7,941,528
Basic and diluted net loss per share	$ (0.11)	$ (0.11)	$ (0.32)	$ (0.32)	$ (0.58)	$ (0.58)

Basic net loss per share is the same as diluted net loss per share attributable to common stockholders for the years ended December 31, 2023, 2022, and 2021, because the inclusion of potential shares of common stock would have been anti-dilutive for the periods presented.

The following table discloses weighted-average securities that were not included in the computation of diluted net loss per share as their inclusion would have been anti-dilutive:

	Year Ended December 31,		
	2023	2022	2021
Stock options	21,278,043	20,470,391	16,345,661
RSUs	15,220,986	8,778,890	4,081,026
Common stock issued subject to vesting	1,090,181	2,027,852	1,419,613
PRSUs	928,642	—	—
Warrants to purchase Class A common stock	561,058	561,058	4,778,003
Common stock issuable under the ESPP	404,648	603,603	136,538
Common stock issued for early exercise of stock options	—	70,257	196,431
Redeemable convertible preferred stock	—	—	4,858,176
Common stock issued for exercise of stock options subject to nonrecourse promissory notes	—	—	874,312

18. Income Tax

For financial reporting purposes, loss before income taxes includes the following (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Domestic	$ (16,749)	$ (62,539)	$ (109,393)
Foreign	(4,822)	(3,170)	(1,402)
Loss before income taxes	$ (21,571)	$ (65,709)	$ (110,795)

The provision (benefit) for income taxes consisted of the following (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Current:			
Federal	$ 532	$ —	$ —
State	1,456	563	252
Total current provision	1,988	563	252
Deferred:			
Federal	12	(339)	(2,280)
State	(25)	(110)	(966)
Foreign	—	(145)	(142)
Total deferred benefit	(13)	(594)	(3,388)
Total provision (benefit) for income taxes	$ 1,975	$ (31)	$ (3,136)

The provision (benefit) for income taxes differs from the amounts computed by applying the statutory federal income tax rate of 21% to pretax loss as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Tax benefit at federal statutory rate	$ (4,530)	$ (13,799)	$ (23,267)
State taxes, net of federal benefits	1,636	(609)	(3,498)
Transaction costs	—	(731)	369
Stock-based compensation	1,747	3,897	2,018
Warrants and earn-outs	226	(15)	(1,710)
Non-deductible officers' compensation	6,386	2,881	8,352
Change in valuation allowance	1,330	7,794	15,971
Research and development credits	(5,398)	—	—
Non-deductible expenses	714	613	—
Other, net	(136)	(62)	(1,371)
Total	$ 1,975	$ (31)	$ (3,136)

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

	As of December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	$ 53,309	$ 67,214
Research and other credits	3,779	—
Capitalized research and development	15,106	—
Accrued expenses and reserves	2,164	1,952
Stock-based compensation	3,572	4,079
Inventory	1,890	2,338
Other intangible assets	350	487
Deferred revenue	124	17
Operating lease liabilities	2,615	1,382
Other deferred tax assets	87	553
Total gross deferred tax assets	82,996	78,022
Less valuation allowance	(70,506)	(69,357)
Total deferred tax assets	12,490	8,665
Deferred tax liabilities:		
Other intangible assets	(4,777)	(5,623)
Fixed assets	(1,532)	(1,722)
Prepaid expenses	(1,825)	—
Operating lease right-of-use assets	(2,519)	(1,285)
Other deferred tax liabilities	(1,859)	(70)
Total deferred tax liabilities	(12,512)	(8,700)
Net deferred tax liabilities	$ (22)	$ (35)

The Company determines its valuation allowance on deferred tax assets by considering both positive and negative evidence to ascertain whether it is more likely than not that deferred tax assets will be realized. Realization of deferred tax assets is dependent upon the generation of future taxable income, if any, the timing and amount of which are uncertain. Due to the Company's history of losses, the Company believes that it is not more likely than not that all of the deferred tax assets can be realized as of December 31, 2023 and 2022. Accordingly, the Company has recorded a valuation allowance against its deferred tax assets. The Company intends to continue maintaining a full valuation allowance on all deferred tax assets until there is sufficient evidence to support the reversal of all or some portion of these allowances. However, the Company believes that, within a few years, sufficient positive evidence may become available to reach a conclusion that a significant portion of the valuation allowance will no longer be needed. A release of the valuation allowance would result in the recognition of certain deferred tax assets and a decrease to income tax expense for the period the release is recorded. However, the exact timing and amount of the valuation allowance release are subject to change on the basis of the level of profitability that the Company is actually able to achieve. Additionally, income tax credit estimates could change in the near future due to changes in economic circumstances resulting in the pursuit of additional credits that currently would not be economically beneficial to pursue. The net deferred tax liability is primarily the result of acquired intangible assets for which there is no tax basis. The valuation allowance increased by $1.1 million and $8.0 million during the years ended December 31, 2023 and 2022, respectively.

As of December 31, 2023, the Company has $186.1 million, $154.8 million, and $10.8 million in federal, state, and foreign loss carryforwards (not tax effected), respectively, of which $186.1 million, $17.5 million, and $10.8 million in federal, state, and foreign loss carryforwards do not expire. The remaining state loss carryforwards begin to expire in 2024. As of December 31, 2023, the Company had $6.1 million of federal tax credit carryforwards, prior to the netting of uncertain tax positions, that will begin to expire in 2041.

Internal Revenue Code Sections 382 and 383 place a limitation on the amount of taxable income that can be offset by carryforward tax attributes, such as net operating losses or tax credits, after a change in control. Generally, after a change in control, a loss corporation cannot deduct carryforward tax attributes in excess of the limitation prescribed by Sections 382 and

383. Therefore, certain of the Company's carryforward tax attributes may be subject to an annual limitation regarding their utilization against taxable income in future periods. As a result of issuances of different classes of preferred stock to investors in 2017, 2018, and 2019, the Company triggered "ownership change(s)" as defined in Section 382 and related provisions. Some of the Company's net operating losses are limited by these ownership changes but the annual limitation does not have a significant impact on the consolidated financial statements. Subsequent ownership changes may subject the Company to annual limitations of its net operating losses. Such annual limitations could result in the expiration of the net operating loss and credit carryforwards before utilization. A full valuation allowance exists on the net operating loss carryforward.

The Company did not have any unrecognized tax benefits during the years ended December 31, 2022 and 2021. Changes in unrecognized tax benefits for the year ended December 31, 2023, excluding interest and penalties, were as follows (in thousands):

Balance at December 31, 2022	$	—
Increases in balances related to prior year tax positions		1,357
Increases in balances related to current year tax positions		956
Balance at December 31, 2023	$	2,313

Although it is reasonably possible that certain unrecognized tax benefits may increase or decrease within the next 12 months due to tax examination changes, settlement activities, expirations of statute of limitations, or the impact on recognition and measurement considerations related to the results of published tax cases or other similar activities, the Company does not anticipate any significant changes to its unrecognized tax benefits over the next 12 months. Any adjustments to the Company's uncertain tax positions would result in an adjustment to its deferred tax asset carryforwards and valuation allowance rather than resulting in an impact to the effective tax rate. During the years ended December 31, 2023, 2022, and 2021, no interest or penalties were required to be recognized relating to unrecognized tax benefits.

The Company files income tax returns in the United States, United Kingdom, and various state and local jurisdictions. Due to the net operating loss carryforward, the statute of limitations is open for 2017 and forward for all jurisdictions, none of which are currently under examination by any tax authorities.

19. Subsequent Events

In February 2024, the Company entered into a 28-month non-cancelable lease for 29,467 square feet of office, warehouse, and pharmacy space in Gilbert, Arizona. The lease will commence when lessor construction on the space is substantially complete. Total minimum lease payments are $1.0 million, net of rent abatement for an initial two-month period and with an escalation of 4% at the end of the first year. The Company has the option to extend the lease term for a period of one year.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls And Procedures

Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in company reports filed or submitted under the Exchange Act is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance of achieving the desired control objectives. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. The design of disclosure controls and procedures also is

based partly on 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.

As of December 31, 2023, as required by Rules 13a-15 and 15d-15 under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) were effective.

Management's Report on Internal Controls over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over our financial reporting. Our internal control over financial reporting is designed to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles.

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.

Under the supervision of and with the participation of our management, we evaluated the effectiveness of our internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013 framework).

Based on its assessment, our management concluded that our internal control over financial reporting was effective as of December 31, 2023.

Our internal control over financial reporting as of December 31, 2023 has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report which is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control over Financial Reporting

During the most recently completed fiscal quarter, there has been no change in our internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Insider Trading Arrangements

During the fiscal quarter ended December 31, 2023, none of our directors or officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K, except as described in the table below:

Name and Title of Insider	Adoption, Modification or Termination	Applicable Date	Duration of Trading Arrangement	Rule 10b5-1 Trading Arrangement? (Y / N) [1]	Aggregate Number of Securities Subject to the Trading Arrangement
Melissa Baird, Chief Operating Officer	Adoption	11/21/2023	3/5/2024 - 9/5/2024	Y	370,125
Andrew Dudum, Chief Executive Officer	Adoption	11/29/2023	3/1/2024 - 11/29/2024	Y	3,000,000

Lynne Chou O'Keefe, Director	Adoption	12/12/2023	6/17/2024 - 12/17/2024	Y	49,843
Michael Chi, Chief Marketing Officer	Adoption	12/07/2023	3/7/2024 - 9/18/2024	Y	939,288
Michael Chi, Chief Marketing Officer	Termination[(2)]	12/15/2023	3/7/2024 - 9/18/2024	Y	939,288

(1) Denotes whether the trading plan is intended to satisfy the affirmative defense of Rule 10b5-1(c) when adopted.
(2) The insider's trading arrangement was entered into in error and promptly terminated. No securities were purchased or sold under the trading arrangement.

Item 9C. Disclosures Regarding Foreign Jurisdictions That Prevent Inspections

Not applicable.

PART III - Other Information

Item 10. Directors, Executive Officers and Corporate Governance

The information called for by this Item will be set forth in our Proxy Statement for the 2024 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended December 31, 2023 (the "2024 Proxy Statement") and is incorporated herein by reference. The information required by this Item regarding delinquent filers pursuant to Item 405 of Regulation S-K will be included under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in the 2024 Proxy Statement and is incorporated herein by reference.

Our Board has adopted a Code of Conduct. The Code of Conduct applies to all of our employees, officers, and directors, as well as all of our contractors, consultants, suppliers, and agents in connection with their work for us. The full text of our Code of Conduct is posted on the investor relations page of our website at https://investors.hims.com/governance. We intend to disclose future amendments to, or waivers of, our Code of Conduct, as and to the extent required by SEC regulations, at the same location on our website identified above or in public filings.

Item 11. Executive Compensation

The information required by this item will be set forth in the 2024 Proxy Statement 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 set forth in the 2024 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be set forth in the 2024 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Our independent registered public accounting firm is KPMG LLP, San Francisco, CA, Auditor ID: 185.

The information required by this item will be set forth in the 2024 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

See "Index to Consolidated Financial Statements" in Part II, Item 8 of this Annual Report on Form 10-K. Financial statement schedules have been omitted because they are not required or are not applicable or because the information required in those schedules either is not material or is included in the consolidated financial statements or the accompanying notes.

Exhibit No.	Description
2.1†	Agreement and Plan of Merger dated as of September 30, 2020, by and among Oaktree Acquisition Corp., Rx Merger Sub, Inc. and Hims, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on October 1, 2020).
3.1	Certificate of Incorporation of Hims & Hers Health, Inc. (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on January 26, 2021).
3.2	Bylaws of Hims & Hers Health, Inc. (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on January 26, 2021).
4.1	Certificate of Corporate Domestication of Oaktree Acquisition Corp. (incorporated by reference to Exhibit 4.3 to the Company's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on January 26, 2021).
4.2	Description of registered securities (incorporated by reference to Exhibit 4.2 to the Registrant's Annual Report on Form 10-K (File No. 001-38986), filed with the SEC on February 27, 2023).
10.1	Form of Subscription Agreement (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on October 1, 2020).
10.2	Amended and Restated Investors' Rights Agreement, dated as of September 30, 2020, by and among Hims & Hers Health, Inc. and the Hims Stockholders party thereto (incorporated by reference to Exhibit 10.4 to Oaktree Acquisition Corp.'s Current Report on Form 8-K (File No. 001-38986), filed with the SEC on October 1, 2020).
10.3+	Hims & Hers Health, Inc. 2020 Equity Incentive Plan and forms of agreement thereunder (incorporated by reference to Exhibit 10.4 to the Registrant's Annual Report on Form 10-K (File No. 001-38986), filed with the SEC on February 27, 2023).
10.4+	Form of Hims & Hers Health, Inc. 2020 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.7 to the Company's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on January 26, 2021).
10.5+	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.8 to the Registrant's Proxy Statement/Prospectus on Form S-4/A filed with the SEC on December 22, 2020).
10.6+	Form of Change in Control and Severance Agreement (incorporated by reference to Exhibit 10.7 to the Registrant's Annual Report on Form 10-K (File No. 001-38986), filed with the SEC on February 27, 2023).
10.7+	Employment Agreement, dated as of December 21, 2020, by and between Hims, Inc. and Andrew Dudum (incorporated by reference to Exhibit 10.19 to the Registrant's Proxy Statement/Prospectus on Form S-4/A filed with the SEC on December 22, 2020).

10.8+	Employment Agreement, dated as of January 14, 2021, by and between Hims, Inc. and Melissa Baird (incorporated by reference to Exhibit 10.16 to the Registrant's Current Report on Form 8-K (File No. 001-38986), filed with the SEC on January 26, 2021).
10.10+	Employment Agreement, dated as of December 21, 2021, by and between Hims, Inc. and Oluyemi Okupe (incorporated by reference to Exhibit 10.12 to the Registrant's Form 10-K filed with the SEC on February 24, 2022).
10.10	Share Exchange Agreement dated as of January 20, 2021, by and among Hims, Oaktree Acquisition Corp., Andrew Dudum and the Andrew Dudum 2015 Trust, Date July 2, 2015 (incorporated by reference to Exhibit 10.17 to the Registrant's Current report on Form 8-K (File No. 001-38986), filed with the SEC on January 26, 2021).
10.11+	Hims, Inc. 2017 Stock Plan and forms of agreement thereunder (incorporated by reference to Exhibit 10.18 to the Registrant's Current Report on Form 8-K (File No. 0001-38986), filed with the SEC on January 26, 2021).
10.12+	Hims & Hers Health, Inc. Incentive Bonus Plan (incorporated by reference to Exhibit 10.1 to the Registrant's Form 10-Q for the period ended June 30, 2021 (File No. 0001-38986, filed with the SEC on August 11, 2021).
10.13†	Warehouse Lease Agreement by and between COI New Albany Industrial 300, LLC, and Hims, Inc., dated January 27, 2020 (incorporated by reference to Exhibit 10.2 to the Registrant's Form 10-Q for the period ended June 30, 2021 (File No. 001-38986), filed with the SEC on August 11, 2021).
21	List of Subsidiaries (incorporated by reference to Exhibit 21 to the Registrant's Annual Report on Form 10-K (File No. 001-38986) filed with the SEC on February 27, 2023).
23	Consent of Independent Registered Public Accounting Firm*
24	Power of Attorney (included on signature page of this Annual Report)*
31.1	Certification of the Chief Executive Officer required by Rule 13a-14(a) or Rule 15d-14(a).*
31.2	Certification of the Chief Financial Officer required by Rule 13a-14(a) or Rule 15d-14(a).*
32.1	Certification of the Chief Executive Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350**
32.2	Certification of the Chief Financial Officer required by Rule 13a-14(b) or Rule 15d-14(b) and 18 U.S.C. 1350**
97	Policy Relating to Recovery of Erroneously Awarded Compensation*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase

101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL and contained in Exhibit 101)

*	Filed herewith
**	Furnished herewith
†	Schedules and exhibits to this agreement have been omitted pursuant to Item 601(a)(2) of Regulation S-K. A copy of any omitted schedule and/or exhibit will be furnished to the SEC upon request.
+	Denotes management compensatory plan, contract or arrangement.

Item 16. Form 10-K Summary

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

February 26, 2024

Hims & Hers Health, Inc.

By: /s/ Andrew Dudum

Name: Andrew Dudum
Title: Chief Executive Officer and Director
(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Andrew Dudum and Oluyemi Okupe and each of them, as his or her true and lawful attorneys-in-fact and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with 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 requisite and necessary to be done, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that each of said attorneys-in-fact and agents, or his or her substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ Andrew Dudum Andrew Dudum	Chief Executive Officer and Director *(Principal Executive Officer)*	February 26, 2024
/s/ Oluyemi Okupe Oluyemi Okupe	Chief Financial Officer *(Principal Financial Officer)*	February 26, 2024
/s/ Irene Becklund Irene Becklund	Senior Vice President, Controller *(Principal Accounting Officer)*	February 26, 2024
/s/ Alex Bard Alex Bard	Director	February 26, 2024
/s/ Ambar Bhattacharyya Ambar Bhattacharyya	Director	February 26, 2024
/s/ Patrick H. Carroll, M.D. Patrick H. Carroll, M.D.	Chief Medical Officer and Director	February 26, 2024
/s/ Toby Cosgrove, M.D. Toby Cosgrove, M.D.	Director	February 26, 2024
/s/ Lynne Chou O'Keefe Lynne Chou O'Keefe	Director	February 26, 2024
/s/ Christiane Pendarvis Christiane Pendarvis	Director	February 26, 2024
/s/ Andrea Perez Andrea Perez	Director	February 26, 2024
/s/ David Wells David Wells	Director	February 26, 2024

Corporate Information

Board of Directors

Andrew Dudum
Chairman and Chief Executive Officer

Alex Bard
Compensation Committee

Ambar Bhattacharyya
Risk Committee Chair

Patrick Carroll, M.D.
Chief Medical Officer
Risk Committee

Delos (Toby) Cosgrove, M.D.

Anja Manuel

Lynne Chou O'Keefe
Audit Committee

Christopher Payne

Christiane Pendarvis
Audit Committee

Andrea Perez
Compensation Committee Chair

David Wells
Lead Independent Director
Audit Committee Chair
Risk Committee

Executive Officers

Melissa Baird
Chief Operating Officer

Soleil Boughton
Chief Legal Officer

Khobi Brooklyn
Chief Communications Officer

Mike Chi
Chief Commercial Officer

Dan Kenger
Chief Design Officer

Yemi Okupe
Chief Financial Officer

Virtual Annual Meeting

June 6, 2024, 11:00 am PT
Live webcast
www.virtualshareholdermeeting.com/HIMS2024

Transfer Agent and Registrar

Information about stock and warrant certificates, address changes, ownership transfers or other stock matters can be obtained from:

Broadridge Shareholder Services
PO Box 1342
Brentwood, NY 11717-0718
888-789-8606
shareholder@broadridge.com
shareholder.broadridge.com

Independent Registered Public Accounting Firm

KPMG LLP

Investor Relations

investors@forhims.com
investors.hims.com

Website

www.hims.com
www.forhers.com
www.hims.co.uk

Trading Information

The Class A common stock of Hims & Hers Health, Inc. is traded on the NYSE (symbol: HIMS).


hims & hers
hims.com | forhers.com
Hims & Hers Health, Inc.
2269 Chesnut Street, #523
San Francisco, CA 94123