

2025

ANNUAL REPORT



OUR MISSION

**Empowering all people
everywhere to live their
healthiest lives**

A letter from Charles (Chuck) Divita, III Chief Executive Officer, Teladoc Health, Inc.

This past year was one of deliberate progress, marked by a sharpened focus on our strategic priorities and sustained execution against the backdrop of macro challenges across the healthcare industry. We advanced important new product, capability, and technology innovations, expanded BetterHelp's reach by entering the insurance coverage market, grew international markets, and strengthened business fundamentals.

These and other initiatives build on our market leadership, financial position, brand strength, and scale to broaden our impact on the people we serve and deliver more value to clients. In turn, we remain focused on advancing our performance across four key strategic priorities: enhancing Integrated Care solutions in our U.S. market, leveraging our scaled mental health position, advancing international growth and value, and driving operational excellence.

Enhancing Integrated Care solutions

Integrated Care is our largest and most diversified segment, with virtual care services, technology and clinical expertise that address comprehensive health needs at scale. In 2025, we provided care access to more than 100 million people in the United States. We advanced our flagship 24/7 Care service offering to expand our clinical scope of services and make visits more impactful for clients and members. We continued to advance our chronic care programs, particularly our cardiometabolic health program, with data-driven insights, connected devices, and clinical interventions designed to improve outcomes and drive value. And through continued technology advancements, such as our Prism care delivery platform and Pulse Data and AI intelligence engine, we are applying technology and insights to uncover opportunities, guide targeted actions, and elevate experiences to make moments of care more impactful.

Leveraging scaled mental health position

Mental health is a key element of comprehensive care, and an important enabler of our mission. BetterHelp is one of the largest virtual therapy platforms in the world, with a leading position driven by a strong consumer orientation and a large, diverse, and high-quality therapist network. In 2025, we took important steps to evolve the business model in response to changing market dynamics and consumer needs. As part of a strategic pivot to improve access, affordability, engagement, and long-term sustainability, BetterHelp added the ability to accept insurance coverage in the United States. As discussed on our Q4 2025 earnings call, BetterHelp expanded insurance coverage to 20 states and Washington, D.C., reaching more than 120 million covered lives through in-network agreements.

Our Integrated Care segment grew mental health visits at a double-digit pace, completing more than 1 million visits in 2025. We also launched a new employee assistance program, Wellbound, which leverages strengths from both Integrated Care and BetterHelp to provide seamless, personalized support for employee wellness.

Advancing international growth and value

Internationally, our Integrated Care business continued to see double-digit growth across our virtual and hybrid care models. We increased access to high-quality care, including in rural and remote locations around the world. We helped care delivery systems address staffing challenges by extending provider capacity, delivering high patient and provider satisfaction. We deepened our penetration in existing markets through expansion and innovative new use cases. As the global leader in virtual care, we continue to adapt our models to address unique needs of the localized health systems we serve, supporting the growth and value of our international position.

Driving operational excellence

Throughout 2025, we maintained a disciplined approach to capital allocation, cost management, and operational efficiency. We achieved ISO 9001 certification for key U.S. Integrated Care processes, reflecting the operational discipline we have implemented throughout the company. We applied and will continue to apply AI responsibly to predict needs, personalize experiences, streamline operational processes, and drive efficiencies. Our business model continues to evolve as visit-based revenue represents a growing share of our virtual care business, reflecting how clients and consumers engage with our services. This evolution, combined with strong liquidity, supports resilience and flexibility as we navigate ongoing market dynamics.

The macro challenges across the healthcare industry remain significant, and our clients are focused on affordability and rising medical costs, the prevalence of chronic disease and unmet mental health needs.

Looking ahead, we are encouraged by continued innovation across our solutions and increasing demand for cost-effective care. We have a leading market position, well-known and trusted brands, and an ability to deliver and orchestrate care at scale that gives us a unique foundation for growth. I believe we are well-positioned to create long-term value by staying focused on disciplined execution, meaningful innovation, and our mission to empower people everywhere to live their healthiest lives.

Charles (Chuck) Divita, III

Chief Executive Officer, Teladoc Health, Inc.



**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 year ended December 31, 2025

or

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

For the transition period from _____ to _____

Commission File Number: 001-37477

TELADOC HEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State of incorporation)

04-3705970

(I.R.S. Employer Identification No.)

155 E 44th Street, Suite 1700

New York, New York

(Address of principal executive office)

10017

(Zip code)

(203) 635-2002

*(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
Common Stock, par value \$0.001 per share	TDOC	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: Not Applicable

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 Exchange Act. Yes No

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted 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 and post 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. (Check one):

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 the common stock held by non-affiliates as of the last business day of the registrant's most recently completed second fiscal quarter was approximately \$1,531,762,802. The registrant has no non-voting stock outstanding.

As of February 17, 2026, there were 178,396,434 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be delivered to stockholders in connection with the 2026 annual meeting of stockholders are incorporated by reference in response to Part III of this Report to the extent stated herein.

TABLE OF CONTENTS

	<u>Page</u>
PART I	
Special Note Regarding Forward-Looking Statements	3
ITEM 1. Business	3
ITEM 1A. Risk Factors	18
ITEM 1B. Unresolved Staff Comments	53
ITEM 1C. Cybersecurity	54
ITEM 2. Properties	55
ITEM 3. Legal Proceedings	55
ITEM 4. Mine Safety Disclosures	55
PART II	
ITEM 5. Market for Registrant’s Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities	55
ITEM 6. Reserved	56
ITEM 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations	57
ITEM 7A. Quantitative and Qualitative Disclosures About Market Risk	72
ITEM 8. Financial Statements and Supplementary Data	73
ITEM 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	73
ITEM 9A. Controls and Procedures	73
ITEM 9B. Other Information	76
ITEM 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections	76
PART III	
ITEM 10. Directors, Executive Officers and Corporate Governance	77
ITEM 11. Executive Compensation	77
ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters	77
ITEM 13. Certain Relationships and Related Transactions, and Director Independence	77
ITEM 14. Principal Accounting Fees and Services	77
PART IV	
ITEM 15. Exhibits and Financial Statement Schedules	78
ITEM 16. Form 10-K Summary	78
EXHIBIT INDEX	79
SIGNATURES	84
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA	F-1

PART I

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” the “Company,” or “we.” Many statements made in this Annual Report on Form 10-K that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipates,” “believes,” “suggests,” “targets,” “projects,” “plans,” “expects,” “future,” “intends,” “estimates,” “predicts,” “potential,” “may,” “will,” “should,” “could,” “would,” “likely,” “foresee,” “forecast,” “continue” and other similar words or phrases, as well as statements in the future tense to identify these forward-looking statements. These forward-looking statements and projections are contained throughout this Form 10-K, including the sections entitled “Business,” “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We base these forward-looking statements or projections on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such time. As you read and consider this Form 10-K, you should understand that these statements are not guarantees of performance or results. The forward-looking statements and projections are subject to and involve risks, uncertainties and assumptions and you should not place undue reliance on these forward-looking statements or projections. Although we believe that these forward-looking statements and projections are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections. Factors that may materially affect such forward-looking statements and projections include, but are not limited to the section entitled “Risk Factors” in this Form 10-K and in our other reports and Securities and Exchange Commission (“SEC”) filings. These cautionary statements should not be construed by you to be exhaustive and are made only as of the date of this Form 10-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should evaluate all forward-looking statements made in this Form 10-K in the context of these risks and uncertainties.

Item 1. Business

Overview

Teladoc Health is the global leader in virtual care. More than 20 years ago, we were founded on a simple, yet revolutionary idea: that everyone should have access to the best healthcare, anywhere in the world on their terms. Our mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience. Today, we are transforming virtual care into a catalyst for how better health happens around the world. We connect patients, care providers, healthcare platforms and partners to provide more complete and personalized care. Through our unique technology, breadth of services and depth of clinical expertise, we are delivering and orchestrating care in order to improve health outcomes and reduce healthcare costs around the world.

We are equipping care teams to perform at their highest caliber, providing effective care and support that addresses and resolves comprehensive health needs— physical and mental, simple and complex, urgent and ongoing. By applying the power of technology and insights from millions of health interactions, we are guiding targeted health actions and elevating healthcare experiences to make moments of care more impactful. We work with health plans, employers, health systems, and partners around the world, giving us visibility into best practices and health journeys that enable us to drive impact at scale.

We offer a portfolio of services and solutions, bolstered by technology, artificial intelligence (“AI”), machine learning and human expertise to provide an effective care experience that people value and trust. By combining the latest in data science and analytics with a personalized user experience through a set of highly flexible integrated technology platforms, we completed 17.1 million telehealth visits in 2025 through our business-to-business (“B2B”) and direct-to-consumer (“D2C”) channels. We provide access to healthcare 24 hours a day, 7 days a week, and 365 days a year.

We have two reportable segments: Integrated Care and BetterHelp.

Our Integrated Care segment delivers high-quality virtual care that is available to more than 100 million members through their employers and insurers. These virtual care services address a broad spectrum of care needs including preventive care, primary care, 24/7 urgent care, mental healthcare, chronic care and expert second opinions. Teladoc Health care teams also coordinate, or orchestrate, care needs by referring patients to high-quality in-person care in their communities when medically appropriate. For hospitals and health systems, we provide highly-scalable connected care solutions -- including hardware, software and services — that help organizations deliver telehealth services to their patients in virtual care and hybrid care models. Services in this segment are distributed primarily on a B2B basis.

Our BetterHelp segment primarily consists of our market leading mental health platform. Online counseling and therapy services are provided via our network of nearly 35,000 licensed clinicians leveraging our platform for web, mobile app, phone, and text-based interactions.

Who We Serve

As of December 31, 2025, approximately 102 million members in the United States (“U.S.”) have access to one or more of our services. The customers of our Integrated Care segment primarily consist of employers, health plans, hospitals and health systems, insurance companies, and financial services companies (collectively “Clients”), as well as individuals who turn to us for care. We help Clients to expand access to high-quality healthcare, improve outcomes, and lower healthcare costs. Our solutions offer our Clients substantial savings opportunities and an attractive return on investment. As part of this segment, we sell to our Clients on behalf of their beneficiaries, including employees and health plan members. In our various sales channels, a range of third parties, including health plans, pharmacy benefits managers, financial institutions, brokers, agents, benefits consultants, and resellers, sell our solutions to various end markets around the world. Our BetterHelp segment primarily provides mental health services to individuals who self-pay or are covered by insurance.

How We Generate Revenue

For the year ended December 31, 2025, 83% of our consolidated revenue was derived from access fees. To a lesser extent, we generate revenue from visit fees as well as sales of hardware and other related services to hospital and health systems, which is reported in “other revenue”.

Integrated Care Segment

Our Integrated Care segment primarily generates revenue on a contractually recurring, access fee basis. Clients pay monthly access fees on a per-member-per-month (“PMPM”) model, a per-employee-per-month (“PEPM”) model, or on a per-participant-per-month (“PPPM”) model, based on the number of actively enrolled members each month.

Access fees are paid by our Clients on behalf of their employees, dependents, policy holders, card holders, beneficiaries, clinicians, or as is the case with certain of our subscribers, fees are paid by our members themselves.

We also generate revenue from Clients on a per-telehealth visit basis. These visit fees are typically paid by Clients and/or members.

Depending on the product, we may generate revenue from Clients through a combination of access fees and visit fees, while certain Clients may have access-fee only or visit fee only arrangements.

This segment also generates revenue from software licenses and implementation fees related to hospitals & health systems Clients who use our technology to deliver virtual care. These Clients also purchase and lease related hardware devices such as robots, carts, and tablets.

Some of our contracts place a portion of our fees at risk or provide an opportunity to earn performance-based payments for achieving specific targets for service-level metrics, cost savings, and/or clinical outcomes.

BetterHelp Segment

In our BetterHelp segment, we primarily generate revenue from paying users, including both those who pay directly out-of-pocket and those who utilize their insurance coverage, who most commonly pay a weekly or monthly fee to access our network of psychotherapists as well as to use our BetterSleep app designed to help people improve their sleep quality and overall well-being.

We deliver products and services to our customers through two flagship brands, Teladoc Health and BetterHelp. Teladoc Health is our primary brand for Integrated Care services, and was named one of America's Most Trusted Brands by USA TODAY in 2025. BetterHelp, our primary brand for consumer-focused virtual mental health services, is the most recognized virtual mental health brand amongst U.S. consumers. The most common way for individuals to engage with our services is by using a mobile device, reflecting the growing consumer adoption of mobile technology and applications in managing their health.

Our Competitive Strengths

We believe that Teladoc Health is the global leader in virtual care because of our strong competitive advantages that address the most pressing challenges and trends in the delivery of healthcare around the world. We believe our history of innovation and unmatched scale provide us with significant first-mover advantages, and we continue to invest and expand our services and geographic footprint globally. As the first comprehensive virtual care company providing integrated care at scale, we have pioneered solutions and created what we believe are collectively the virtual care industry's first and only offerings of their kind. Our competitive advantages allow us to deliver solutions that create and demonstrate positive clinical outcomes for our members and strong return on investment for our Clients.

Comprehensive Suite of Virtual Care Clinical Services

We believe that we are the first and only company to offer a comprehensive and integrated virtual care solution that both provides and enables care for a full spectrum of clinical conditions, including wellness and prevention, acute care, chronic conditions, and complex healthcare needs. We also provide a broad range of programs and services, including primary and specialty care, chronic care, mental health, expert medical services, as well as virtual care technology and hardware for care delivery.

Global Footprint Spanning Clients, Medical Operations and Members

We believe we have the only global virtual care footprint spanning a diverse set of Client channels, medical operations, and members. Combining our suite of international clinical capabilities with our technology and operational scale uniquely equips us to meet the needs of multinational organizations.

Unmatched Breadth of Solutions for Clients Across All Channels Served

We deliver a comprehensive set of solutions to a diverse Client population through a highly efficient and effective distribution network wherein we reach Clients and individuals in our Integrated Care segment through our Clients and channel partners. In our BetterHelp segment, we primarily market our solution directly to individuals.

We believe the breadth of our distribution strategy allows us to directly reach individuals and Clients of nearly every size and in nearly every market.

Comprehensive Engagement Model that Drives Utilization

We believe that our ability to drive behavior change on a global scale to deliver the highest utilization of virtual care services in the industry is a key competitive differentiator for Teladoc Health. We utilize a combination of our proprietary engagement science, personalized individual experiences, as well as our deep knowledge and expertise of various populations to increase the adoption of our virtual care services.

Our approach is a unique combination of the application of predictive analytics and modeling, our deep experience with all population demographics, and expertise in applying this knowledge to our member populations on a global scale. We target members using behavioral triggers, advanced predictive modeling, and demographic insights. This increases efficiency and the impact of our communications by reaching the right member, with the right personalized message, in the right micro moments of their day-to-day lives.

We believe that our health engagement capabilities are unique as a result of data, technology, behavioral science, and insights from millions of health interactions that enable us to uncover opportunities, personalize experiences, and

optimize the performance of our programs. We use these capabilities, to drive awareness and utilization of Teladoc Health services through innovative communications and media strategies designed to reach people in their homes, on the go, and in their moments of need. Our models and communication strategies are continuously being evaluated, analyzed, and evolved to meet ever-shifting consumer behaviors.

Our mobile app is foundational for us as we have redefined virtual care delivery. Our unified mobile app seamlessly offers members access to all of our virtual health services within a single, modern, user-friendly digital experience, under the Teladoc Health brand to support member engagement, multi-program enrollment, and longitudinal relationships with members. In addition, our integrated smart devices, such as our cellular blood glucose monitor, provide additional touch points for engaging members with relevant AI driven nudges to drive behavior change and improved health outcomes.

Purpose-Built Virtual Care Technology, Proven to Perform at Scale

Our proprietary Teladoc Health Prism care delivery platform empowers our multidisciplinary care teams to deliver high-quality virtual care and coaching for our members. This highly scalable, integrated, application program interface (“API”) driven technology platform has been built over 20+ years and has served as a differentiator based on its ability to deliver a broad spectrum of high-quality virtual care services at unmatched scale. Purpose-built care portals within the platform empower Teladoc Health clinicians and health coaches with secure data and functionality that serve the unique requirements of each part of our multi-specialty practice, and support millions of high-quality patient interactions each year. The platform has been built to accommodate the seamless and quick introduction of new clinical and digital services and products.

Within our chronic condition management programs, we leverage and develop a unique combination of cloud-based technology that integrates smart connected devices with sophisticated data science to deliver personalized health insight. For example, we provide a unique and proprietary blood glucose meter to members enrolled in our diabetes program. This Class II, U.S. Food and Drug Administration (“FDA”)-cleared medical device includes a cellular antenna and color touchscreen to provide seamless integration with our platform. Our proprietary software relays the blood glucose measurements and user inputs to our cloud service. The software on the device can also be remotely upgraded through the cellular antenna to deliver usability improvements and program enhancements.

Our Solo platform, which is technology designed for the hospital and health system market, is a complete end-to-end telehealth solution, including patient intake, emergent and scheduled encounters, video conferencing capabilities, access to medical images, full application-specific clinical documentation tools – including interfaces to health system electronic medical records (“EMRs”), and complete operational and clinical reporting and analytics. The technology also supports industry-leading medical devices such as robots, carts, and tablets via a unique network architecture for maximum performance, reliability, and security. The solution supports the entire patient journey and the full range of telehealth use cases encountered by hospitals and health systems. Through our hybrid care models, we are able to combine this proprietary technology with our care delivery services to increase access to high quality care, including in rural and remote areas.

Our Inpatient Connected Care offering enables hospitals, health systems, and other clinical facilities to turn the television in every patient room into a virtual care end-point, utilizing a special purpose set-top box, camera, microphone, software, and networking. Through our technology and workflows, Clients can more efficiently administer admissions, discharge planning, patient education, nursing coverage, and virtual provider consultations, improving efficiency and quality of care, and helping address hospital staffing challenges.

Due to the sensitive nature of our members’ and Clients’ data, we have a heightened focus on data security and protection. We have a rigorous and comprehensive information security program managed by a dedicated team of security engineers and analysts. We have implemented telehealth industry standard processes, policies, and tools through all levels of our software development and network administration, including regularly scheduled vulnerability scanning and third-party penetration testing to reduce the risk of vulnerabilities in our system. In addition, our enterprise security program is periodically evaluated by expert third parties to ensure we are meeting or exceeding standards, best practices, and regulatory requirements. One example of such an independent third-party certification that we have achieved is the Health Information Trust Alliance (“HITRUST”).

Our platforms are compliant with numerous international data and privacy regulations, including the General Data Protection Regulation (“GDPR”), data-in-country rules, and other national requirements. This gives us the opportunity and

ability to offer our products and services internationally, using the host countries' languages and currencies, and addressing their specific local needs. We are also able to customize our platform for key partnerships globally.

APIs enable external connectivity and deep integration with a wide range of payors, EMRs, third-party applications, and other interfaces with employers, hospital systems, and health systems, which we believe uniquely positions us as a long-term partner meeting the unique needs of the rapidly changing healthcare industry. We intend to continue to expand our solutions across use cases, care settings, and clinical conditions.

Advanced Data and Analytics Powering Our Care Model

We have taken an innovative approach to data and analytics to support our care model. Supported by rich data, unique operations and logistics expertise, behavioral science and clinical insights, we deliver technology-enabled care at scale.

Teladoc Health Pulse is our intelligence engine that brings together unique, multidimensional data and advanced AI models to power predictive insights, guide targeted actions, and optimize experiences —accelerating innovation to drive healthier results. The platform ingests data from a wide range of sources: including clinical, lab and pharmacy claims data, connected devices, EMRs and health information exchanges. The Pulse platform will then enrich, transform and publish into applications for activation across our teams to create value for various stakeholders. Intelligence is surfaced to our clinicians in real time, providing them with sharper insights and ensuring that the right care is delivered at the right time.

We are further leveraging advanced AI and machine learning to launch innovative offerings, elevate care delivery and create scalable, personalized experiences.

Our machine learning algorithms enable us to match members in the U.S. with available state-licensed, board-certified clinicians anytime, anywhere we operate, with 90% of Teladoc Health's virtual urgent care visits occurring within thirty minutes of a member's virtual visit request.

Proprietary connected devices, such as our cellular blood glucose monitors, are able to deliver targeted communications to engage members, including AI-driven "nudges" based on the current context and medical history of the member. These communications are dynamically personalized and optimized using our algorithms, aimed at driving behavior change.

We are advancing AI-enabled risk evaluation and stratification capabilities that can identify rising and high risk members to support targeted clinical interventions aimed at improving clinical outcomes and better controlling costs, delivering greater value to our Clients.

Within our hospital and health systems offering, our Clarity monitoring solution includes AI-enabled software, hardware and services that empower care teams to monitor care settings across multiple use cases, and allow Clients to quickly direct the right resources.

Clinical Capabilities to Deliver High Quality Care and Clinical Outcomes

Our mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience. We believe that virtual care is a catalyst for better health and that it improves healthcare access, quality, and outcomes for the populations we serve.

We deliver high-quality clinical care and advice in a virtual setting to our members through our global network of over 40,000 in-house and third-party medical professionals. These providers complete rigorous and specialized training on virtual care practices and protocols, and follow evidence-based clinical practice guidelines for delivering care in a virtual setting.

We are deeply committed to clinical quality. We apply evidence-based clinical guidelines, measure and monitor performance, prioritize patient safety with a dedicated expert team, apply continuous quality improvement methodologies, and research, learn, innovate and share insights to improve virtual care.

We apply analytics to the de-identified data points generated in our millions of visits with patients to continuously improve the clinical quality of our services. These data sets and insights are applied to enhance the ability of providers to

deliver quality care through tools such as provider dashboards, as well as serving as a foundation for clinical innovation, and collaboration with other leading healthcare organizations that are focused on the advancement of virtual care delivery.

We established The Institute for Patient Safety and Quality of Virtual Care, the healthcare industry's first Patient Safety Organization ("PSO") dedicated to virtual care which is certified by the Agency for Healthcare Research and Quality ("AHRQ"). It conducts quality and safety initiatives with and on behalf of key healthcare stakeholders, including other PSOs, to improve the delivery of virtual care in the United States.

We remain well positioned to meet the unique needs, preferences, and circumstances of those whom we collectively serve around the world. We address traditional barriers to care, address social drivers of health, and design our solutions to serve the unique needs of patients and populations. Our global reach, breadth of services, and quality infrastructure enable us to continually assess and enhance our services in order to improve access, experiences, and outcomes at scale.

Our Growth Strategies

We aim to grow by executing across the following enterprise strategic priorities:

Enhance Our Integrated Care Offerings to Deliver Greater Value for Clients and Members

Our comprehensive solution leverages our clinical expertise, data, and scale, to address a complete spectrum of conditions, leveraging an integrated platform that combines smart technologies, AI and machine learning, rich data exchange, digital self-management tools, integrated remote patient monitoring devices, analytics, and scalability to streamline care and drive better outcomes.

As our Clients are looking for solutions to bend the cost curve, increase access, enhance member engagement, and improve the quality of care and overall health outcomes, we are investing to advance our capabilities and product set to drive greater value to Clients across these areas. And as we widen the aperture of what we can do, we expect to further expand our market opportunity.

Recent enhancements to our Prism care delivery platform advance our ability to deliver more value to Clients and members in each virtual care visit. Clinicians are provided with an integrated view of Teladoc Health programs available to each member, and through direct integrations, can seamlessly connect patients to eligible Teladoc Health programs. The platform also surfaces relevant clinical information in real time at the point of care, allowing Teladoc Health clinicians to identify care gaps and address high-value preventive care needs. Clinicians can access provider-to-provider specialist consults to enable them to more quickly confirm care plans and resolve health needs at the point of engagement. The platform also enables collaboration across other sites of care when appropriate, with an ability to coordinate precision referrals to high-quality community care providers. To further enhance the provider experience, AI-enabled transcription capabilities improve the quality and efficiency of clinical documentation.

We are pursuing ongoing innovation in our chronic care program, and have implemented enhancements to our connected devices and new program features to our cardiometabolic health program to improve population health, and prevent the progression of diabetes, hypertension and obesity. In addition, we have developed enhanced clinical intervention models for rising risk and high-risk populations. By applying AI-enabled risk evaluation and stratification capabilities, and leveraging our capabilities as a provider, we can identify and activate intervention opportunities to improve clinical outcomes and drive greater Client ROI and impact.

Our programs are supported by a comprehensive engagement model that utilizes a combination of proprietary engagement science and personalizes individual content, to increase the adoption of our services. This approach targets members using behavioral triggers, advanced predictive modeling, and demographic insights to deliver personalized messages at the right time. We believe there is significant opportunity within our existing membership base to increase engagement by continually driving awareness and usage of our solutions. We expect to refine and enhance our user experience over time, which is a critical driver of new and repeat engagement, and building longer term relationships with our members.

We intend to continue to invest in new expansions and innovation within our broader virtual care solution set, which we believe will drive greater value for our Clients and members, and in turn drive member growth, engagement and retention, while also allowing us to participate in the value that we create, including through outcomes-based arrangements.

Leverage Our Scaled Mental Health Position to Increase Access and Serve the Needs of More People

Mental health is an enterprise-wide initiative for us. Our mental health business is benefiting from strong secular tailwinds, including a significant unmet need for mental health services, both in the U.S. and globally, greater recognition and awareness of the linkage of mental health and physical health, and wide adoption of the virtual modality for accessing mental healthcare.

Within our Integrated Care segment, we provide a full range of mental health services, including digital tools, coaching, therapy, psychiatry and medication management. We contract with health plans and employers, and over 60 million members have access to our mental health services through these plan sponsors. In addition to further penetrating our existing Client base, we see significant opportunity to increase member engagement and usage of our solutions by driving greater awareness and improving the patient experience. We are continuing to integrate mental health into all of our longitudinal care programs, which has proven to drive better health outcomes. We are also actively building new solutions to bring additional value to our Clients and members, such as our Wellbound employee assistance program offering.

Through our BetterHelp segment, we are also a leading provider of virtual mental health therapy in the consumer market, both in terms of the number of individuals enrolled and the number of licensed professionals who provide services on the platform.

Historically, almost half of individuals seeking care from BetterHelp have never sought therapy before, suggesting that the availability of high quality, convenient, consumer friendly virtual mental healthcare is expanding the mental healthcare market.

BetterHelp has consistently driven strong user satisfaction, evidenced by our consistently high net promoter scores. The scale of our data and provider network, powered by our data science capabilities, creates a competitive advantage for us in providing an optimal match of an individual with a provider, increasing the rate of success in therapy. Further, we have a demonstrated ability to drive clinical outcomes, including symptom reduction and remission.

BetterHelp's strong brand awareness and reach drive significant traffic to the top of funnel. As we leverage diverse customer acquisition channels to drive traffic, this reduces dependence on any single source of member acquisition.

To provide further flexibility, we are enabling users to use insurance benefits coverage for mental health services through BetterHelp. Currently in the process of rolling out nationwide, we believe this will provide an opportunity to increase conversion rates of high intent users that come to BetterHelp, and can also extend user duration on the platform as compared to cash-pay users.

Build on Our Leading Global Presence

Countries around the world are also dealing with cost and access challenges, leading to a significant addressable market where we currently operate outside of the U.S. With a presence in five continents and strong local relevance, we see a significant opportunity to deepen our penetration in attractive markets where our infrastructure and local expertise is already in place. We will also evaluate potential opportunities to further expand our presence into new markets.

We have developed a highly effective and efficient global distribution network. Our international operations are headquartered in Barcelona, Spain with satellite locations in Canada, Europe, South America, Australia, and Asia. We are able to deliver localized care to our members in these regions. When medically necessary, our clinicians can help members navigate the local health systems to obtain the best healthcare for their situation.

Our international Client base is largely comprised of health and life insurance companies, financial services firms and multinational employers. We deliver integrated virtual care services to members and we look to increase engagement, expand breadth of services, and drive greater value and differentiation with these partners.

We also offer solutions to support the needs of government health systems, as well as public and private hospitals, in countries around the world. We are leveraging our virtual care delivery capabilities, as well as proprietary technology and devices from our hospital and health system business, to support virtual and hybrid care models that address diverse care needs in urban and rural communities.

Our BetterHelp business also operates in non-U.S. markets and we plan to continue to expand into new countries. While BetterHelp mental health services have historically been offered in the English language, we have launched new localized offerings, with in-market therapists delivering care in the local language. We believe this will open up new opportunities for growth.

Commitment to Driving Operational Excellence

Our enterprise-wide focus on operational excellence enables us to consistently deliver for our Clients and members, and is critical to our ability to achieve our broader business and financial objectives.

We have taken actions to re-focus our operating structure, leading to a more customer centric approach. This has allowed us to deepen our market focus, align product development efforts, improve agility and enhance our overall execution. We intend to focus on additional operational improvements to deliver consistent and reliable performance, and to help ensure Client satisfaction and member engagement. Within our U.S. Integrated Care segment, we have ISO 9001 certification for key processes, as well as ISO 13485 and ISO 27001 certifications for our proprietary devices.

We are focused on our cost structure and have taken actions to streamline the organization, consolidate our real estate footprint, reduce third-party supplier spend, and drive productivity and efficiency gains through offshoring, automation, and process improvement. We have seen progress across several expense categories, including technology and development, general and administrative, and share-based compensation, and those remain areas of ongoing focus. These savings allow us to invest in the business to support strategic initiatives and future growth opportunities.

Sales and Marketing

We sell our Integrated Care services principally through our direct sales organization. Our direct sales team comprises enterprise focused sales professionals, who are supported by product experts, solution architects, lead generation professionals, and sales operations staff. We maintain relationships with key industry participants including benefit consultants, brokers, group purchasing organizations, health plans, as well as hospitals, health systems and other care delivery partners.

We generate Client leads, accelerate sales opportunities, and build brand awareness with marketing programs that target human resources and benefits leaders, technology and health professionals, senior business leaders, and healthcare channel partners. Our principal marketing programs include use of our website to provide information about our company and our solutions, as well as learning opportunities and participation in industry events, trade shows, and conferences.

We sell our BetterHelp services principally by marketing our mental health services directly to potential users. We also rely on relationships with a wide variety of third parties, including Internet search providers such as Google, social networking platforms such as Instagram and Facebook, digital advertising networks, co-registration partners, retailers, and distributors to source new users and to promote or distribute our services.

Research and Development

Our ability to compete depends, in large part, on our continuous commitment to rapidly introduce new products, services, technologies, features, and functionality. We have invested, and expect to continue to invest, significant resources in research and development and acquisitions to enhance our existing solutions and introduce innovative products and capabilities. Our multi-disciplinary team includes a product development team responsible for the design, development, testing, and certification of our solutions. It also includes software engineering teams responsible for solution development and deployment, and a data science team providing the insight that powers our differentiated health actions. We remain focused on developing new products and further enhancing the usability, functionality, reliability, performance, and flexibility of our solutions.

Competition

We view our competitors as those companies that currently (or in the future will) (i) provide virtual care services, such as the delivery of on-demand access to healthcare and chronic condition management and/or (ii) develop and market virtual care technology (devices, software, and systems). Competition focuses on, among other factors, experience in operation, customer service, quality of technology and know-how, ability to generate and demonstrate clinical and financial outcomes for clients, and reputation.

Integrated Care Segment

Competitors in the virtual care market include MDLive (owned by Cigna), American Well Corporation, Included Health, and Accolade (owned by Transcarent), among other participants. In the chronic condition management market, competitors include Omada Health, Inc., Virta Health Corp., and other participants. In the market for technology solutions for hospitals and health systems, competitors include American Well Corporation as well as smaller technology providers. We also face competition from large health plans that in some cases have developed their own virtual care or chronic condition management tools, as well as large technology companies, such as Amazon, which have developed or acquired their own virtual care solutions.

BetterHelp Segment

In the virtual mental health and other wellness services markets, competitors include platforms such as Grow Therapy, Headway, Rula, Spring Health, and Talkspace.

THMG Association and Uplift Association

We provide business support and administrative services pursuant to a services agreement with our affiliated clinical entities, including Teladoc Health Medical Group, P.A., formerly Teladoc Physicians, P.A. (“THMG”) and Uplift Behavioral Health, P.C. (“Uplift PC”), which operate our Integrated Care and BetterHelp telehealth provider networks, respectively. We do not own THMG or Uplift PC, which are 100% physician-owned independent entities, or the professional corporations with which they contract. Instead, THMG and its affiliated professional corporations (collectively, the “THMG Association”) and Uplift PC and its affiliated corporations (collectively, the “Uplift Association”) are owned by physicians licensed in their respective jurisdictions. Under the services agreements with THMG and Uplift PC, we have agreed to serve, on an exclusive basis, as manager and administrator of the THMG Association’s and Uplift Association’s non-clinical functions and services related to the provision of the telehealth services by providers employed by or under contract with the THMG Association or Uplift Association, respectively. The non-clinical functions and services we provide under the services agreements primarily include member management services, such as maintaining network operations centers for our members to request a visit with the THMG Association’s and the Uplift Association’s providers, member billing and collection administration, and maintenance and storage of member medical records. THMG and Uplift PC have agreed to provide our members, through their providers, access to telehealth services and recommended treatment 24 hours per day, 365 days per year. The services agreements also require THMG and Uplift PC to maintain the state licensure and other credentialing requirements of their providers. The services agreements each have a 20-year term, with the THMG services agreement expiring in February 2040 and the Uplift PC services agreement expiring in June 2045, unless earlier terminated upon mutual agreement of the parties or unilaterally by a party following the commencement of bankruptcy or liquidation proceeds by the non-terminating party, a material breach of the services agreement by the non-terminating party, or a governmental or judicial termination order related to the services agreement. The THMG Association and the Uplift Association are considered variable interest entities and their financial results are included in Teladoc Health’s consolidated financial statements.

Seasonality

Our business has historically been subject to seasonality. In our Integrated Care segment, a concentration of our new Client contracts have an effective date of January 1 as a result of many Clients’ introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, we historically have experienced our highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end-of-year holiday season, our BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic, we have typically experienced fewer new member additions and strong operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year, we typically experience weak operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

See “Risk Factors—Risks Related to Our Business and Industry—Our quarterly results may fluctuate significantly, which could adversely impact the value of our common stock.” included elsewhere in this Annual Report on Form 10-K.

Regulatory Environment

Our operations are subject to comprehensive U.S. federal, state and local, and comparable multiple levels of international regulation in the jurisdictions in which we do business. The laws and rules governing our business and interpretations of those laws and rules continue to expand and become more restrictive each year and are subject to frequent change. Our ability to operate profitably will depend in part upon our ability, and that of our affiliated providers, to maintain all necessary licenses and to operate in compliance with applicable laws and rules. Those laws and rules continue to evolve, and we therefore devote significant resources to monitoring developments in healthcare and medical practice regulation. As the applicable laws and rules change, we are likely to make conforming modifications in our business processes from time to time. In many jurisdictions where we operate, neither our current nor our anticipated business model has been the subject of judicial or administrative interpretation. We cannot be assured that a review of our business by courts or regulatory authorities will not result in determinations that could adversely affect our operations or that the healthcare regulatory environment will not change in a way that restricts our operations.

For additional discussion of our regulatory environment, see “Risk Factors” included in Part I, Item 1A of this Annual Report on Form 10-K.

Telehealth Provider Licensing, Medical Practice, Certification and Related Laws and Guidelines

The practice of medicine, including the provision of mental health services, is subject to various federal, state, and local certification and licensing laws, regulations, and approvals, relating to, among other things, the adequacy of medical care, the medical and clinical licensure laws (including the provision of remote care and cross coverage practice), equipment, personnel, operating policies and procedures, and the prerequisites for the prescription of medication. The application of some of these laws to telehealth is unclear and subject to differing interpretation. Physicians, physician assistants, advanced practice registered nurses, nurses, and mental health professionals who provide professional medical or mental health services to a patient via telehealth must, in most instances, hold a valid license to practice medicine, nursing or to provide mental health treatment in the state in which the patient is located. In addition, the prescription of certain pharmaceuticals, including but not limited to controlled substances and weight-loss drugs, may require additional scrutiny or may be restricted in certain states. We have established systems for ensuring that our affiliated providers are appropriately licensed under applicable state law and that their provision of telehealth to our members occurs in each instance in compliance with applicable rules governing telehealth. Failure to comply with these laws and regulations could result in our services being found to be non-reimbursable or prior payments being subject to recoupments and can give rise to civil or criminal penalties.

U.S. Corporate Practice of Medicine; Fee Splitting

We contract with physician-owned professional associations and professional corporations to deliver our U.S. telehealth services to their patients. We enter into business support services contracts with these physician-owned professional associations and professional corporations pursuant to which we provide them with non-clinical functions and services related to the provision of the telehealth services by the providers, such as maintaining network operations centers for our members to request a visit with the providers, member billing and collection administration, and maintenance and storage of member medical records, and the professional associations and professional corporations pay us for those services out of the fees they collect from patients and third-party payors. These contractual relationships are subject to various state laws that prohibit fee splitting or the practice of medicine by lay entities or persons and are intended to prevent unlicensed persons from interfering with or influencing the physician’s professional judgment. In addition, various state laws also generally prohibit the sharing of professional services income with nonprofessional or business interests. Activities other than those directly related to the delivery of healthcare may be considered an element of the practice of medicine in many states. Under the corporate practice of medicine restrictions of certain states, decisions and activities such as clinician scheduling, contracting, setting rates, and the hiring and management of non-clinical personnel may implicate the restrictions on the corporate practice of medicine. In the past 12 months, Oregon and California have passed laws codifying and strengthening their existing corporate practice of medicine prohibitions in ways which may require us to adjust contractual arrangements with the THMG Association and the Uplift Association. We are aware of a number of states, including Washington, Maine, Connecticut, and North Carolina which are considering similar bills in 2026.

State corporate practice of medicine and fee splitting laws vary from state to state and are not always consistent among states. In addition, these requirements are subject to broad powers of interpretation and enforcement by state regulators. Some of these requirements may apply to us even if we do not have a physical presence in the state, based solely on our engagement of a provider licensed in the state or the provision of telehealth to a resident of the state.

Regulatory authorities or other parties, including the THMG Association's and the Uplift Association's providers, may assert that, despite our contractual arrangements with the THMG Association and the Uplift Association, we are directly engaged in the corporate practice of medicine or that our contractual arrangements with affiliated physician groups constitute unlawful fee splitting. In this event, failure to comply could lead to adverse judicial or administrative action against us and/or the THMG Association's and the Uplift Association's providers, civil or criminal penalties, receipt of cease-and-desist orders from state regulators, invalidation of certain contracts or restrictive covenants, demands to repay reimbursements from third-party payors, loss of provider licenses, the need to make changes to the terms of engagement of the THMG Association's and the Uplift Association's providers that interfere with our business and other materially adverse consequences. We have observed a general increase in corporate practice of medicine enforcement across the healthcare industry in 2025 which we expect to continue in 2026.

U.S. Federal and State Fraud, Waste, and Abuse Laws

Federal Stark Law

We are subject to the federal self-referral prohibitions, commonly known as the Stark Law. Where applicable, this law prohibits a physician from referring Medicare patients to an entity providing "designated health services" for the provision of such "designated health services" if the physician or a member of such physician's immediate family has a "financial relationship" with the entity, unless an exception applies. The penalties for violating the Stark Law include the denial of payment for services ordered in violation of the statute, mandatory refunds of any sums paid for such services, civil penalties of up to \$30,868 for each violation, and twice the dollar value of each such service and possible exclusion from future participation in the federally funded healthcare programs. A person who engages in a scheme to circumvent the Stark Law's prohibitions may be fined up to \$205,799 for each applicable arrangement or scheme. The Stark Law is a strict liability statute, which means proof of specific intent to violate the law is not required. In addition, the government and some courts have taken the position that claims presented in violation of the various statutes, including the Stark Law can be considered a violation of the federal False Claims Act (described below) based on the contention that a provider impliedly certifies compliance with all applicable laws, regulations and other rules when submitting claims for reimbursement. A determination of liability under the Stark Law could have a material adverse effect on our business, financial condition, and results of operations.

Federal Anti-Kickback Statute

We are also subject to the federal Anti-Kickback Statute. The Anti-Kickback Statute is broadly worded and prohibits the knowing and willful offer, payment, solicitation or receipt of any form of remuneration in return for, or to induce, (i) the referral of a person covered by Medicare, Medicaid or other governmental programs, (ii) the furnishing or arranging for the furnishing of items or services reimbursable under Medicare, Medicaid or other governmental programs, or (iii) the purchasing, leasing, or ordering or arranging or recommending purchasing, leasing or ordering of any item or service reimbursable under Medicare, Medicaid or other governmental programs. Certain federal courts have held that the Anti-Kickback Statute can be violated if "one purpose" of a payment is to induce referrals. In addition, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it to have committed a violation, making it easier for the government to prove that a defendant had the requisite state of mind or "scienter" required for a violation. Moreover, the government may assert that a claim including items or services resulting from a violation of the Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act, as discussed below. Violations of the Anti-Kickback Statute can result in exclusion from Medicare, Medicaid or other governmental programs as well as civil and criminal penalties, including civil monetary penalties of up to \$127,973, and criminal fines of \$100,000 per violation, and three times the amount of the unlawful remuneration, and imprisonment of up to ten years. Imposition of any of these remedies could have a material adverse effect on our business, financial condition, and results of operations. In addition to a few statutory exceptions, the U.S. Department of Health and Human Services ("HHS") Office of Inspector General ("OIG") has published safe-harbor regulations that outline categories of activities that are deemed protected from prosecution under the Anti-Kickback Statute provided all applicable criteria are met. The failure of a financial relationship to meet all of the applicable safe harbor criteria does not necessarily mean that the particular arrangement violates the Anti-Kickback Statute. However, conduct and business arrangements that do not fully satisfy each applicable safe harbor may result in increased scrutiny by government enforcement authorities, such as the OIG.

False Claims Act

Both federal and state government agencies have continued civil and criminal enforcement efforts as part of numerous ongoing investigations of healthcare companies and their executives and managers. Although there are a number

of civil and criminal statutes that can be applied to healthcare providers, a significant number of these investigations involve the federal False Claims Act. These investigations can be initiated not only by the government but also by a private party asserting direct knowledge of fraud. These “qui tam” whistleblower lawsuits may be initiated against any person or entity alleging such person or entity has knowingly or recklessly presented, or caused to be presented, a false or fraudulent request for payment from the federal government or has made a false statement or used a false record to get a claim approved. In addition, the improper retention of an overpayment for 60 days or more is also a basis for a False Claim Act action, even if the claim was originally submitted appropriately. Penalties for False Claims Act violations include fines ranging from \$14,308 to \$28,619 for each false claim, plus up to three times the amount of damages sustained by the federal government. A False Claims Act violation may provide the basis for exclusion from the federally funded healthcare programs. In addition, some states have adopted similar fraud, whistleblower, and false claims provisions.

State and Foreign Fraud, Waste, and Abuse Laws

Several states and foreign jurisdictions in which we operate have also adopted or may adopt similar fraud, waste, and abuse laws as described above. The scope of these laws and the interpretations of them vary by jurisdiction and are enforced by local courts and regulatory authorities, each with broad discretion. Some state fraud, waste, and abuse laws apply to items or services reimbursed by any payor, including patients (cash-pay) and commercial insurers, not just those reimbursed by a federally funded healthcare program. A determination of liability under such state fraud, waste, and abuse laws could result in fines and penalties and restrictions on our ability to operate in these jurisdictions.

Medicare Billing Laws

The Centers for Medicare and Medicaid (“CMS”) prior to the Covid-19 pandemic and resulting public health emergency had historically prohibited providers from billing for telehealth services when the patient’s site of care (the “originating site”) was the patient’s home, absent rare exception. During the Covid-19 pandemic and resulting public health emergency, CMS relaxed this rule and allowed for both (1) mental and behavioral health services and (2) non-mental and behavioral health services to be billed by providers when the patient’s originating site was in their home. In 2023, a patient’s home was permanently approved as an originating site for mental and behavioral health services. However, as of December 12, 2025, no equivalent approval has been made for non-mental and behavioral health services. If CMS elects to revert to a more restrictive regime for eligible originating sites, our ability to provide certain services may be restricted.

Other Healthcare Laws

The federal Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (“HITECH”) and their implementing regulations, (collectively, “HIPAA”), established several separate criminal penalties for making false or fraudulent claims to insurance companies and other non-governmental payors of healthcare services. Under HIPAA, these two additional federal crimes are: “Healthcare Fraud” and “False Statements Relating to Healthcare Matters.” The Healthcare Fraud statute prohibits knowingly and recklessly executing a scheme or artifice to defraud any healthcare benefit program, including private payors. A violation of this statute is a felony and may result in fines, imprisonment or exclusion from government sponsored programs. The False Statements Relating to Healthcare Matters statute prohibits knowingly and willfully falsifying, concealing, or covering up a material fact by any trick, scheme or device, or making any materially false, fictitious, or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items, or services. A violation of this statute is a felony and may result in fines or imprisonment. This statute could be used by the government to assert criminal liability if a healthcare provider knowingly fails to refund an overpayment. These provisions are intended to punish some of the same conduct in the submission of claims to private payors as the federal False Claims Act covers in connection with governmental health programs.

In addition, the Civil Monetary Penalties Law imposes civil administrative sanctions for, among other violations, inappropriate billing of services to federally funded healthcare programs and employing or contracting with individuals or entities who are excluded from participation in federally funded healthcare programs. Moreover, a person who offers or transfers to a Medicare or Medicaid beneficiary any remuneration, including waivers of copayments and deductible amounts (or any part thereof), that the person knows or should know is likely to influence the beneficiary’s selection of a particular provider, practitioner, or supplier of Medicare or Medicaid payable items or services may be liable for civil monetary penalties for each wrongful act. Moreover, in certain cases, providers who routinely waive copayments and deductibles for Medicare and Medicaid beneficiaries can also be held liable under the Anti-Kickback Statute and civil False Claims Act, which can impose additional penalties associated with the wrongful act. One of the statutory exceptions to the

prohibition is non-routine, unadvertised waivers of copayments or deductible amounts based on individualized determinations of financial need or exhaustion of reasonable collection efforts. The OIG emphasizes, however, that this exception should only be used occasionally to address special financial needs of a particular patient. Although this prohibition applies only to federal healthcare program beneficiaries, the routine waivers of copayments and deductibles offered to patients covered by commercial payers may implicate applicable state laws related to, among other things, unlawful schemes to defraud, excessive fees for services, tortious interference with patient contracts, and statutory or common law fraud.

Health Information Privacy and Security Laws

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personally identifiable information (“PII”), including health information. In particular, HIPAA establishes privacy and security standards that limit the use and disclosure of protected health information (“PHI”) and requires the implementation of administrative, physical, and technical safeguards to ensure the confidentiality, integrity and availability of individually identifiable health information in electronic form. In addition, numerous states, including California, Colorado, Washington, Nevada, and Connecticut amongst others, have passed consumer privacy laws intended to supplement the protections provided by HIPAA, Teladoc Health, the THMG Association and the Uplift Association and their respective providers, our health plan Clients, and our employee welfare benefit plan Clients are all regulated as covered entities under HIPAA, and are required to comply both with HIPAA and applicable state privacy laws. HIPAA’s requirements are also directly applicable to the independent contractors, agents, and other “business associates” of covered entities that create, receive, maintain, or transmit PHI in connection with providing services to covered entities. We are also at times a business associate of other covered entities when we are working on behalf of our affiliated medical groups.

Violations of HIPAA may result in significant civil and criminal penalties, and a single breach incident can result in violations of multiple standards. Teladoc Health, on our own and as part of our management responsibilities to the THMG Association and the Uplift Association, is required to comply with HIPAA’s breach notification rule. Under the breach notification rule, covered entities must notify affected individuals without unreasonable delay in the case of a breach of unsecured PHI, which has more than a low probability of compromising the privacy, security, or integrity of the PHI. In addition, notification must be provided to the HHS and the local media in cases where a breach affects more than 500 individuals. Breaches affecting fewer than 500 individuals must be reported to HHS on an annual basis. The regulations also require business associates of covered entities to notify the covered entity of breaches by the business associate. Notification must also be made in certain circumstances to affected individuals, federal authorities, and others.

State attorneys general also have the right to prosecute HIPAA violations committed against residents of their states. While HIPAA does not create a private right of action that would allow individuals to sue in civil court for a HIPAA violation, its standards have been used as the basis for the duty of care in state civil suits, such as those for negligence or recklessness in misusing personal information. In addition, HIPAA mandates that HHS conduct periodic compliance audits of HIPAA covered entities and their business associates for compliance. HIPAA also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the Civil Monetary Penalty fine paid by the violator. We expect federal and state HIPAA privacy and security enforcement efforts to continue to increase.

The privacy and security of personal information stored, maintained, received or transmitted electronically is an enforcement priority in the U.S. and internationally. While we strive to comply with all applicable privacy and security laws and regulations, as well as our own posted privacy policies, legal standards for privacy, including but not limited to “unfairness” and “deception,” as enforced by the Federal Trade Commission (“FTC”) and state attorneys general, any failure or perceived failure to comply with such requirements may result in proceedings or actions against us by government entities or private parties, or could cause us to lose Clients or members, any of which could have a material adverse effect on our business. For example, we have been subject to litigation alleging improper disclosure and/or use of PII and PHI. Recently, there has been an increase in public awareness of privacy issues in the wake of revelations about the activities of various government agencies and in the number of private privacy-related lawsuits filed against companies. Any allegations about our practices with regard to the collection, use, disclosure, or security of personal information or other privacy-related matters, even if unfounded and even if we are in compliance with applicable laws, could damage our reputation and harm our business.

Many states in which we operate and in which our members reside also have laws that protect the privacy and security of personal information, including health information. These laws may be similar to, or even more protective, and may apply more broadly than HIPAA and other federal privacy laws, or they apply to personal information that HIPAA

does not regulate. For example, the laws of the State of California protect the personal information of California consumers regardless of the location of the business holding the information and provide additional rights for California consumers. Numerous other states have enacted, or are currently reviewing, legislation that is similar to the laws of California. Where state laws are more protective than HIPAA or apply more broadly than HIPAA, or apply to different personal information than HIPAA, we must comply with the state laws we are subject to in addition to HIPAA. 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. In addition, state laws are changing rapidly, and there is potential for a new federal privacy law or federal breach notification law, to which we may be subject.

In addition to HIPAA and state information privacy laws, we may be subject to other state and federal laws, including laws that prohibit unfair and deceptive practices which may include deceptive statements about privacy and security policies and practices.

In recent years, there have been a number of well publicized data breaches involving the improper use and disclosure of PII and PHI. Many states have responded to these incidents by enacting laws requiring holders of personal information to maintain safeguards and to take certain actions in response to a data breach, such as providing prompt notification of the breach to affected individuals and state officials.

We are also subject to laws and regulations in non-U.S. countries covering data privacy and the protection of health-related and other personal information. European Union (“EU”) member states and other jurisdictions have adopted data protection laws and regulations, which impose significant compliance obligations. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure, processing, and security of personal information that identifies or may be used to identify an individual, such as names, contact information, and sensitive personal data such as health data. These laws and regulations are subject to frequent revisions and differing interpretations and have generally become more stringent over time.

The GDPR imposes many requirements for controllers and processors of personal data, including, for example, higher standards for obtaining consent from individuals to process their personal data, more robust disclosures to individuals, a strengthened individual data rights regime, shortened timelines for data breach notifications, limitations on retention and secondary use of information, increased requirements pertaining to health data and pseudonymized (i.e., key-coded) data, and additional obligations when we contract with third-party processors in connection with the processing of personal data. The GDPR allows EU member states to make additional laws and regulations further limiting the processing of genetic, biometric, or health data. Failure to comply with the requirements of GDPR and the applicable national data protection laws of the EU member states may result in fines of up to €20,000,000 or up to 4% of the total worldwide annual revenue from the preceding financial year, whichever is higher, and other administrative penalties.

We are also subject to EU laws on data export, as we may transfer personal data from the EU to other jurisdictions, in particular the U.S. These obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other requirements or our practices. In addition, these rules are constantly under scrutiny. For example, following a decision of the Court of Justice of the EU in October 2015 (commonly referred to as the *Schrems I*), transferring personal data to U.S. companies that had certified as members of the U.S. Safe Harbor Scheme was declared invalid. In July 2016, the European Commission adopted the U.S.-EU Privacy Shield Framework which replaced the Safe Harbor Scheme. However, the U.S.-EU Privacy Shield Framework was also declared invalid by the Court of Justice of the EU in July 2020 (commonly referred to as *Schrems II*). While *Schrems II* affirmed the validity of corporate binding rules and standard contractual clauses as legal bases to transfer EU data to the U.S., it also put into place stricter requirements for transfers based on standard contractual clauses. In July 2023, to replace the U.S.-EU Privacy Shield, the EU and U.S. developed and entered into force the EU-U.S. Data Privacy Framework, the UK Extension for the EU-U.S. Data Privacy Framework, and the Swiss-U.S. Data Privacy Framework (collectively “Data Privacy Frameworks”). The Data Privacy Frameworks allow U.S. entities to self-certify compliance after which data transfers to the U.S. entity are permitted. Some countries outside the EU have adopted laws that are similar to the EU GDPR.

International Regulation

We expect to continue to expand our operations in foreign countries through both organic growth and acquisitions. Our international operations are subject to different, and sometimes more stringent, legal and regulatory requirements, which vary widely by jurisdiction, including anti-corruption laws; economic sanctions laws; various privacy, insurance, tax, tariff and trade laws and regulations; corporate governance, privacy, data protection (including GDPR), data mining,

data transfer, labor and employment, intellectual property, consumer protection, and investment laws and regulations; discriminatory licensing procedures; required localization of records and funds; and limitations on dividends and repatriation of capital. In addition, the expansion of our operations into foreign countries increases our exposure to the anti-bribery, anti-corruption, and anti-money laundering provisions of U.S. law, including the U.S. Foreign Corrupt Practices Act of 1977 (the “FCPA”), and corresponding foreign laws, including the U.K. Bribery Act 2010 (the “U.K. Bribery Act”).

The FCPA prohibits offering, promising, or authorizing others to give anything of value to a foreign government official to obtain or retain business or otherwise secure a business advantage. We also are subject to applicable anti-corruption laws of the jurisdictions in which we operate. Violations of the FCPA and other anti-corruption laws may result in severe criminal and civil sanctions as well as other penalties, and the SEC and the DOJ have increased their enforcement activities with respect to the FCPA. The U.K. Bribery Act is an anti-corruption law that is broader in scope than the FCPA and applies to all companies with a nexus to the United Kingdom. Disclosures of FCPA violations may be shared with the UK authorities, thus potentially exposing companies to liability and potential penalties in multiple jurisdictions. We have internal control policies and procedures and conduct training and compliance programs for our employees to deter prohibited practices. However, if our employees or agents fail to comply with applicable laws governing our international operations, we may face investigations, prosecutions, and other legal proceedings and actions which could result in civil penalties, administrative remedies, criminal sanctions and reputational harm.

We also are subject to regulation by the U.S. Treasury’s Office of Foreign Assets Control (“OFAC”). OFAC administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes, terrorists, international narcotics traffickers, those engaged in activities related to the proliferation of weapons of mass destruction, and other threats to the national security, foreign policy, or economy of the U.S. In addition, we may be subject to similar regulations in the non-U.S. jurisdictions in which we operate.

Human Capital Management

At Teladoc Health, we live our values as a company through policies, governance, and deliberate investment in operating responsibly and sustainably.

To fulfill our mission, we aim to create a company and culture that attracts and retains talented individuals who want to build their careers, develop their capabilities, and grow professionally. We design a range of programs and initiatives to nurture talent, encourage curiosity and innovation, increase engagement and connectiveness, and mentor leaders for future roles. We build a range of total reward programs that support employees through fair, equitable, and competitive pay and benefits, and we invest in technology, tools, and resources to transform and increase the quality of work.

As of December 31, 2025, we employed approximately 5,600 people, comprised of approximately 83% full-time employees and 17% part-time employees. In addition, we augment our employee base with contractors to meet resource needs and to increase flexibility in managing our expense base. Of the total employee population as of December 31, 2025, approximately 58% of our employees worked in the U.S. and 42% worked in our international locations. We contract with a network of providers operating through the THMG Association, the Uplift Association, and the BetterHelp platform. In order to ensure predictable availability of providers and a consistent member experience, we expect that the THMG Association and the Uplift Association will hire more employees and rely less on contractors.

We continue to look for ways to expand a range of programs and initiatives that are focused to attract, develop and retain our workforce. We have enhanced our talent efforts in recent years to include:

Supporting Employees through Our Products and Services. We offer our employees full access to our broad portfolio of integrated health solutions, including free mental health resources, digital health devices, and on-demand access to the employee assistance program for employees and their dependents.

Talent Development. We prioritize and invest in creating opportunities to help employees grow and build their careers, through training and development programs. These include online and self-paced courses, live in-class education, professional speaker series, peer-to-peer learning, certification programs, and on-the-job training, as well as executive talent and succession planning paired with an individualized development approach.

Expanding the Voice of the Employee. We strive to build a culture of inclusion which includes regularly soliciting employee feedback through our pulse engagement surveys.

Focusing on Recruiting and Talent Acquisition. We strengthened talent acquisition in 2025 by stabilizing provider recruiting, segmenting recruiters in business units, activating Employee Value Proposition across channels, enriching our career site, launching targeted campaigns, expanding internships, and scaling global hiring through strategic vendor partnerships, while maintaining practices that broaden access to talent.

Community Impact. We embrace the opportunity and the responsibility to have a meaningful impact in our global community, using our voice and our resources to help expand equitable access to care, and create a better future for families and our neighbors. We continue to work toward further mobilizing our workforce to give back to the communities where we live and work through new volunteer and social impact programs.

Intellectual Property

We own and use trademarks and service marks on or in connection with our services, including both unregistered common law marks and issued trademark registrations in the U.S. and around the world. We also have trademark applications pending to register marks in the U.S. and internationally. We own issued patents in the U.S. and other jurisdictions around the world and pending patent applications. We assert, license, and otherwise use these patent rights to increase the cost to our competitors of using our intellectual property in their product offerings. In addition, we rely on certain intellectual property rights that we license from third parties and on other forms of intellectual property rights and measures, including trade secrets, know-how, and other unpatented proprietary processes and nondisclosure agreements, to maintain and protect proprietary aspects of our products and technologies. We require our employees, consultants, and certain of our contractors to execute confidentiality and proprietary rights agreements in connection with their employment or consulting relationships with us. We also require our employees and consultants to disclose and assign to us all inventions conceived during the term of their employment or engagement while using our property or which relate to our business.

Additional Information

Our website address is teladochealth.com. We make available free of charge at the Investors section of this 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 (the “Exchange Act”), as soon as reasonably practicable after we file or furnish such materials with the SEC. The information on our website 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

Our business, financial and operating results are subject to many significant risks and uncertainties, as described below. The following is a summary of the material risks known to us. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business, financial condition, results of operations or prospects, and could cause the trading price of our common stock to decline.

Risk Factors Summary

Our business is subject to a number of risks and uncertainties, including those risks discussed at-length below. These risks include, among others, the following:

- our history of losses and accumulated deficit and the risk that we may not achieve profitability;
- the potential for future non-cash charges for the impairment of goodwill and other intangible assets;
- risk of the loss of any of our significant Clients or partners, or the loss of a significant number of members or BetterHelp paying users;
- our ability to compete successfully in competitive markets, including implementing effective solutions that meet the expectations of our Clients and members;

- failures of our or our vendors' cybersecurity measures that expose the confidential information of us, our Clients or members;
- our ability to operate in the heavily regulated healthcare industry, and comply with regulations concerning data privacy, including PII and PHI;
- our ability to recruit, retain and develop our workforce, and in particular software engineers, as well as a network of qualified providers;
- our ability to obtain additional capital through debt or equity financings on commercially reasonable terms or at all;
- ongoing legal challenges to, or new actions against, our business model, or the failure of the virtual care market to continue to develop;
- risks associated with a decrease in the number of individuals offered benefits by our Clients or the number of products and services to which they subscribe;
- rapid technological change in the virtual care market or the failure to innovate and develop new applications and services that are adopted;
- our expectations and management of potential growth, including our ability to introduce new products, markets and any change in product or revenue mix that impacts our profitability;
- our ability to establish and maintain strategic relationships with third parties;
- our dependence on a limited number of third-party suppliers for timely access to materials, and the risk of supply chain disruptions, imposition or expansion of tariffs or further cost inflation;
- our level of indebtedness and our ability to fund debt obligations and comply with covenants in our debt instruments;
- our dependence on our relationships with affiliated professional entities;
- risks specifically related to our ability to operate in competitive international markets and comply with complex non-U.S. legal requirements;
- current and potential future legal proceedings against us and that the insurance we maintain may not fully cover all potential exposures; and
- our ability to integrate acquired businesses and achieve fully the strategic and financial objectives related thereto, and their impact on our financial condition and results of operations.

Risks Related to Our Financial Position

We have a history of cumulative losses, which we expect to continue, and we may never achieve or sustain profitability.

We have incurred significant losses in each period since our inception. We incurred net losses of \$200.3 million and \$1,001.2 million for the years ended December 31, 2025 and 2024, respectively. The net loss for the year ended December 31, 2025 included non-cash goodwill impairment charges totaling \$71.8 million as discussed further below. As of December 31, 2025, we had an accumulated deficit of \$16,430.2 million. These losses and accumulated deficit reflect the non-cash impairment charges for our goodwill and the investments we have made to expand our business and scope of services. We cannot assure you that we will achieve profitability in the future or that, if we do become profitable, we will be able to sustain or increase profitability. Our prior losses, combined with our expected future losses, have had and will continue to have an adverse effect on our stockholders' equity and working capital. As a result of these factors and cash

flow needs, we may need to raise additional capital through debt or equity financings to fund our operations, and such capital may not be available on reasonable terms, if at all.

A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations.

Historically, we have relied on a limited number of Clients for a substantial portion of our total revenue. For the years ended December 31, 2025 and 2024, our top five Clients by revenue accounted for 19% and 18% of our total revenue, respectively, and 31% of our Integrated Care segment revenue for both years ended December 31, 2025 and 2024. In addition, certain health plans that have historically promoted our services to our employer Clients have developed, and may in the future continue to develop, solutions that replicate our services or offer competitive services at discounted prices to our current or prospective Clients, which has resulted in a loss of Clients, and may result in the loss of additional Clients. The further loss of any of our key Clients, or a failure of some of them to renew or expand their relationships with us, could have a significant impact on the growth rate of our revenue, profitability, and our reputation. In addition, mergers and acquisitions involving our Clients could lead to cancellation or non-renewal of our contracts with those Clients or by the acquiring or combining companies, thereby reducing the number of our existing and potential Clients and members.

We may incur additional non-cash impairment charges for our goodwill or incur non-cash impairment charges for our other intangible assets which would negatively impact our operating results.

Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at the reporting unit level annually on October 1 or more frequently if events or changes in circumstances indicate that it is more likely than not to be impaired. These events include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in our market capitalization, as indicated by our publicly quoted share price.

Concurrent with the closing of our acquisitions of Telecare Australia Pty Ltd (“Telecare”) on August 8, 2025 and Catapult Health, LLC (“Catapult Health”) on February 28, 2025, we performed a goodwill impairment test on our Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, we recognized an immediate impairment of \$12.6 million and \$59.1 million of goodwill associated with the Telecare and Catapult Health acquisitions in the three months ended September 30, 2025 and March 31, 2025, respectively, reflecting a total of \$71.8 million in 2025.

On October 1, 2025, we performed our annual goodwill impairment test and determined that the BetterHelp reporting unit’s fair value exceeded its carrying value and the Integrated Care reporting unit’s fair value approximated its carrying value. In the event there are adverse changes in our projected cash flows and/or changes in key assumptions, including but not limited to an increase in the discount rate, lower revenue growth, lower margin, and/or a lower terminal growth rate, we may be required to record additional non-cash impairment charges to our goodwill or other intangibles and/or long-lived assets that we hold or acquire in the future. If the carrying value of the Integrated Care reporting unit exceeds its fair value as of the date of any future business combinations, the future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges. Such non-cash charges could have a material adverse effect on our consolidated statements of operations and balance sheets in the reporting period of the charge.

In the period following December 31, 2025, there has been a decline in the Company’s market capitalization, based upon the Company’s publicly quoted share price, below the Company’s carrying or book value. If this decline in the share price is sustained, it could require further testing of our goodwill in our next reporting period, which may result in an impairment. Absent changes to our projected cash flows, we would reassess the discount rate to reflect the market’s perception of risks to achieving our projected cash flows and other economic factors. Those factors alone, or in combination with other factors, could cause our carrying value to exceed the fair value, resulting in impairment.

For additional information, see Note 7. “Goodwill” to the consolidated financial statements.

Risks Related to Our Business and Industry

The virtual care market is volatile, and if it does not continue to develop, if it develops more slowly than we expect, if it encounters negative publicity, or if our solutions do not drive member engagement, the growth of our business will be harmed.

The virtual care market continues to develop, and it is uncertain whether it will continue to achieve and sustain high levels of demand, consumer acceptance, and market adoption. The COVID-19 pandemic increased utilization of virtual care services, but it is uncertain whether such increase in demand will continue in the long-term. Our success will depend to a substantial extent on the willingness of our members to use, and to increase the frequency and extent of their utilization of, our solutions, as well as on our ability to continue to demonstrate the value of virtual care to employers, health plans, government agencies, and other purchasers of healthcare for beneficiaries. Negative publicity concerning our solutions, or the virtual care market as a whole, could limit market acceptance of our solutions. If our Clients or members do not perceive the benefits of our solutions, or if our solutions do not drive member engagement, then our market may not continue to develop, or it may develop more slowly than we expect. Similarly, individual and healthcare industry concerns or negative publicity regarding patient confidentiality and privacy in the context of virtual care could limit market acceptance of our healthcare services. If any of these events occurs, it could have a material adverse effect on our business, financial condition, and results of operations.

The impact of potential changes in the healthcare industry and in healthcare spending is currently unknown, but may adversely affect our business, financial condition, and results of operations.

Our revenue is dependent on the healthcare industry and could be affected by changes in healthcare spending and policy. The healthcare industry is subject to changing political, regulatory, and other influences. The Patient Protection and Affordable Care Act (“PPACA”) made major changes in how healthcare is delivered and reimbursed, and increased access to health insurance benefits to the uninsured and underinsured population of the U.S. PPACA, among other things, increased the number of individuals with Medicaid and private insurance coverage, implemented reimbursement policies that tie payment to quality, facilitated the creation of accountable care organizations that may use capitation and other alternative payment methodologies, strengthened enforcement of fraud, waste, and abuse laws, and encouraged the use of information technology.

Other legislative changes have been proposed and adopted since the PPACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year pursuant to the Budget Control Act of 2011 and subsequent laws, which began in 2013 and due to subsequent legislative amendments, will stay in effect through 2030. In January 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers, including hospitals, imaging centers, and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. New laws may result in additional reductions in Medicare and other healthcare funding, which may materially adversely affect Client and member demand and affordability for our solutions and, accordingly, our business, financial condition, and results of operations. Additional changes that may affect our business include the expansion of new programs such as Medicare payment for performance initiatives for physicians under the Medicare Access and CHIP Reauthorization Act of 2015, which first affected physician payment in 2019. At this time, it is unclear how the introduction of the Medicare quality payment program will impact overall physician reimbursement.

Such changes in the regulatory environment may also result in changes to our payor mix that may affect our operations and revenue. Further, the PPACA may adversely affect payors by increasing medical costs generally, which could have an effect on the industry and potentially impact our business and revenue as payors seek to offset these increases by reducing costs in other areas. Certain of these provisions are still being implemented and the full impact of these changes on us cannot be determined at this time.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments and other third-party payors will pay for healthcare products and services, which could adversely affect our business, financial condition, and results of operations.

We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed.

The virtual care market is competitive, and we expect it to continue to attract increased competition, which could make it difficult for us to succeed. We currently face competition in the virtual care industry for our solutions from a range of companies, including specialized software and solution providers that offer competitive solutions, often at substantially lower prices, and that are continuing to develop additional products and becoming more sophisticated and effective. Aside from other competing virtual care companies and smaller industry participants, we also face competition from companies that offer solutions for mental health and management of chronic conditions, and enterprise companies who are focused on or may enter the healthcare industry, including initiatives and partnerships launched by these large companies. In addition, large, well-financed health plans, technology companies and retailers have in some cases developed or acquired their own tools and may provide these solutions to their customers at discounted prices. Competition from these parties has and may continue to result in a loss of Clients and will result in continued pricing pressures, which is likely to lead to price declines in certain product segments, and which could negatively impact our sales, profitability, and market share. Increased competition has also resulted in elongated sales cycles for certain products, including chronic condition management solutions, which may continue to reduce our growth and could negatively impact our sales, profitability, and market share.

Some of our competitors may have, or new competitors or alliances may emerge that have, greater name recognition, a larger customer base, longer operating histories, more widely adopted proprietary technologies, greater marketing expertise, larger sales forces, and significantly greater resources than we do. Further, our current or potential competitors may be acquired by third parties with greater available resources. 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. Any further consolidation in the virtual care market may exert downward pressure on prices of our products and services and may have a material adverse impact on our business, financial condition, or results of operations. In addition, current and potential 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. Our competitors could also be better positioned to serve certain segments of our markets, which could create additional price pressure. In light of these factors, even if our solutions are more effective than those of our competitors, current or potential Clients or members may accept competitive solutions in lieu of purchasing our solutions. If we are unable to successfully compete, our business, financial condition, and results of operations would be materially adversely affected.

If our existing Clients do not continue or renew their contracts with us, renew at lower fee levels, or decline to purchase additional applications and services from us, or if our individual members do not renew their purchase of our solutions, it could have a material adverse effect on our business, financial condition, and results of operations.

We expect to continue to derive a significant portion of our revenue from the renewal of existing Client contracts and sales of additional applications and services to existing Clients. As part of our growth strategy, for instance, we have focused on expanding our services amongst current Clients. As a result, selling additional applications and services are critical to our future business, revenue growth, and results of operations.

Factors that may affect our ability to sell additional applications and services include, but are not limited to, the following:

- the price, performance, and functionality of our solutions;
- the availability, price, performance, and functionality of competing solutions;
- our ability to develop and sell complementary applications and services;
- the stability, performance, and security of our products and solutions;
- our ability to effectively fulfill our obligations to our Clients and members, including certain supply-chain functions that are performed in-house;
- changes in healthcare laws, regulations, or trends; and
- the business environment of our Clients and, in particular, any headcount reductions by our Clients.

We generally enter into contracts with our Clients for a subscription access or visit fee. Most of our Clients have no obligation to renew their contracts for our solutions after the initial term expires. In addition, our Clients may negotiate

terms less advantageous to us upon renewal, which may reduce our revenue from these Clients. Individuals who have paid subscription access offer a greater margin than those who have visit fee only access and, over time, the mix of those who have paid subscription access as compared to those who have visit fee only access has declined. Any further increase in the portion of our revenue derived from visit fee only access would likely adversely impact our growth and profitability and could reduce our revenue. Our future results of operations also depend, in part, on our ability to expand into new clinical specialties and across care settings and use cases. If our Clients fail to renew their contracts, renew their contracts upon less favorable terms or at lower fee levels, or fail to purchase new products and services from us, our revenue may decline, or our future revenue growth and profitability may be constrained.

In addition, after the initial term, a significant number of our Client contracts allow Clients to terminate such agreements for convenience at certain times, typically with three months advance notice. We typically incur the expenses associated with integrating a Client's data into our healthcare database and related training and support prior to recognizing meaningful revenue from such Client. Access fee revenue is not recognized until our products are implemented for launch. If a Client terminates its contract early and revenue and cash flows expected from a Client are not realized in the time period expected or not realized at all, our business, financial condition, and results of operations could be adversely affected.

Similarly, individual members who utilize our BetterHelp or Uplift Health Technologies, Inc. ("Uplift") services have no obligation to renew their subscriptions, and the number of BetterHelp paying users has been declining in recent periods. In 2025, BetterHelp paying users decreased by 5% to 0.39 million. Failure of additional BetterHelp paying users to renew their subscriptions could cause the revenue of our BetterHelp segment to further decline or constrain any future growth.

Failure to successfully execute on the terms of our contracts could result in significant harm to our business.

Our ability to grow and expand our business is contingent upon our ability to achieve desired performance metrics, cost savings, and/or clinical outcomes improvements under our existing contracts and to favorably resolve contract billing and interpretation issues with our Clients. The healthcare industry has shifted toward value-based care, and increasingly our contracts place a portion of our fees at risk or provide for gain share opportunity based on achieving such metrics, savings, and/or improvements. We cannot guarantee that we will achieve and reach mutual agreement with Clients with respect to contractually required performance metrics, cost savings and/or clinical outcomes improvements under our contracts within the expected time frames. Unusual and unforeseen patterns of healthcare utilization by individuals with diseases or conditions for which we provide services could adversely affect our ability to achieve desired performance metrics, cost savings, and clinical outcomes. Our inability to meet or exceed the targets under our Client contracts could have a material adverse effect on our business, financial condition and results of operations. Also, our ability to provide financial guidance with respect to performance-based contracts is contingent upon our ability to accurately forecast variables that affect performance and the timing of revenue recognition under the terms of our contracts ahead of data collection and reconciliation.

In addition, certain of our contracts are increasing in complexity, requiring integration of data, systems, people, programs and services, the execution of sophisticated business activities, and the delivery of a broad array of services to large numbers of people who may be geographically dispersed. The failure to successfully manage and execute the terms of these agreements could result in the loss of fees and/or contracts and could adversely affect our business and results of operations.

If the number of individuals covered by our employer, health plan, and other Clients decreases, or the number of applications or services to which they subscribe decreases, our revenue will likely decrease.

Under most of our Client contracts, we base our fees on the number of individuals to whom our Clients provide benefits and the number of applications or services subscribed to by our Clients. Many factors may lead to a decrease in the number of individuals covered by our Clients and the number of applications or services subscribed to by our Clients, including, but not limited to, the following:

- failure of our Clients to adopt or maintain effective business practices;
- changes in the nature or operations of our Clients;
- government regulations; and

- increased competition or other changes in the benefits marketplace.

The number of individuals employed by some of our Clients has decreased, and the number of individuals employed by our Clients may in the future decrease, as a result of economic conditions or other factors, which could negatively impact our revenue. If the number of individuals covered by our employer, health plan and other Clients decreases, or the number of applications or services to which they subscribe decreases, for any reason, our revenue will likely decrease. Similarly, if the engagement of our members with our usage-based services decreases, our revenue could decrease.

We incur significant upfront costs in our Client relationships, and if we are unable to maintain and grow these Client relationships over time, we are likely to fail to recover these costs, which could have a material adverse effect on our business, financial condition and results of operations.

We derive most of our revenue from access fees. Accordingly, our business model depends heavily on achieving economies of scale because our initial upfront investment is costly, and the associated revenue is recognized on a ratable basis. We devote significant resources to establish relationships with our Clients and implement our solutions and related services, and Clients often request or require specific features or functions unique to their particular business processes. Accordingly, our results of operations will depend in substantial part on our ability to deliver a successful experience for both Clients and members and persuade our Clients to maintain and grow their relationship with us over time. Additionally, as our business is growing significantly, our Client acquisition costs could outpace our build-up of recurring revenue, and we may be unable to reduce our total operating costs through economies of scale such that we are unable to achieve profitability. If we fail to achieve appropriate economies of scale or if we fail to manage or anticipate the evolution and in future periods, demand, of the access fee model, our business, financial condition, and results of operations could be materially adversely affected.

If our applications and services are not adopted by our Clients or members, or if we fail to innovate and develop new applications and services that are adopted by our Clients or members, our revenue and results of operations will be adversely affected.

Our longer-term results of operations and any growth will depend in part on our ability to successfully develop and market new applications and services that our Clients and members want and are willing to purchase. In addition, we have invested, and will continue to invest, significant resources in research and development and acquisitions to enhance our existing solutions and introduce new high-quality applications and services. If existing Clients are not willing to make additional payments for such new applications, or if new Clients and members do not value such new applications, it could have a material adverse effect on our business, financial condition, and results of operations. If we are unable to predict user preferences or if our industry changes, or if we are unable to modify our solutions and services on a timely basis, we may lose Clients or members. Our results of operations would also suffer if our innovations are not responsive to the needs of our Clients and members, appropriately timed with market opportunity, or effectively brought to market.

Rapid technological change in our industry and the interoperability with third-party technologies presents us with significant risks and challenges.

The virtual care market is characterized by rapid technological change, changing consumer requirements, short product lifecycles, and evolving industry standards. Our success will depend on our ability to enhance our solutions with next-generation technologies and to develop or to acquire and market new services to access new consumer populations. As our operations grow, we must continuously improve and upgrade our systems and infrastructure while maintaining or improving the reliability and integrity of our infrastructure as the cost of technology increases. Our future success also depends on our ability to adapt our systems and infrastructure to meet rapidly evolving consumer trends and demands while continuing to improve the performance, features, and reliability of our solutions in response to competitive services and offerings. We expect the use of alternative platforms such as tablets and wearables will continue to grow and the emergence of niche competitors who may be able to optimize offerings, services, or strategies for such platforms will require new investment in technology. New developments in other areas, such as cloud computing, have made it easier for competition to enter our markets due to lower up-front technology costs. In addition, we may not be able to maintain our existing systems or replace or introduce new technologies and systems as quickly as we would like or in a cost-effective manner.

There is no guarantee that we will possess the resources, either financial or personnel, for the research, design, and development of new applications or services, or that we will be able to utilize these resources successfully and avoid technological or market obsolescence. Further, there can be no assurance that technological advances, including with respect to AI and machine learning, by one or more of our competitors or future competitors will not result in our present or future applications and services becoming uncompetitive or obsolete. If we are unable to enhance our offerings and network capabilities to keep pace with rapid technological and regulatory change, or if new technologies emerge that are able to deliver competitive offerings at lower prices, more efficiently, more conveniently, or more securely than our offerings, our business, financial condition, and results of operations could be adversely affected.

Our success will also depend on the availability of our mobile apps in app stores and in “super-app” environments, and the creation, maintenance, and development of relationships with key participants in related industries, some of which may also be our competitors. In addition, if the accessibility of various apps is limited by government actions, the full functionality of devices may not be available to our members. Moreover, third-party platforms, services, and offerings are constantly evolving, and we may not be able to modify our platform to assure its compatibility with those of third parties. If we lose such interoperability, we experience difficulties or increased costs in integrating our offerings into alternative devices or systems, or manufacturers or operating systems elect not to include our offerings, make changes that degrade the functionality of our offerings, or give preferential treatment to competitive products, the growth of our business, financial condition, and results of operations could be materially adversely affected. This risk may be exacerbated by the frequency with which individuals change or upgrade their devices. In the event individuals choose devices that do not already include or support our platform or do not install our mobile apps when they change or upgrade their devices, our member engagement may be harmed.

We use AI and machine learning to operate certain features of our programs and to enable certain business processes, which due to a changing regulatory landscape, could adversely affect our business, financial condition, and results of operations.

We use AI and machine learning to support internal operations, improve efficiency for care delivery teams, and enable certain member-facing features that provide educational resources, recommendations, or support. We expect to continue investing in these capabilities as part of our broader technology strategy. There are significant risks involved in the development and deployment of AI and machine learning, and there can be no assurance that our or our third-party service providers’ or partners’ use of these technologies will perform as expected, enhance our products or services, or be beneficial to our business, including our efficiency or profitability. For example, the continued use of any AI and machine learning in our products and services, or those of our third-party service providers and partners, may give rise to risks related to, among other things, inaccurate, biased, or harmful recommendations, data privacy, confidentiality, cybersecurity and data provenance concerns, new or enhanced governmental or regulatory scrutiny, litigation or other legal liability, ethical concerns, negative perceptions as to AI among customers, channel partners, or members, and other complications that could erode confidence in our brand, harm our reputation, and adversely affect our business, financial condition, and results of operations. While we have instituted policies applicable to our care delivery teams, including our, the THMG Association’s and the Uplift Association’s employees and consultants that govern the development and use of AI, these individuals may breach or violate the terms of these policies and we may not have adequate remedies for any such breach or violation. Further, our ability to continue to develop or use such technologies may be dependent on access to specific third-party software and infrastructure, such as processing hardware or third-party AI and machine learning, and we cannot control the availability or pricing of such third-party software and infrastructure, especially in a highly competitive environment. In addition, market acceptance and consumer perceptions of AI and machine learning is uncertain.

We face significant competition from other companies with respect to utilizing AI and machine learning. To the extent AI and machine-learning development and utilization from our industry competitors proves to be successful, or more successful than our approach, demand for our programs, and thus our business, could be adversely affected. If we cannot develop, offer, or deploy new AI and machine learning as effectively, as quickly, and/or as cost-effectively as our competitors, or if we cannot access the infrastructure needed to continue our development, our operating results, relationships with clients and partners, and growth could be materially and adversely affected.

The rapid evolution of AI and machine learning will require the application of resources to develop, test, maintain, and improve our programs to help ensure that our AI and machine learning are, and remain, accurate and efficient. We expect our AI and machine learning initiatives will over time require increased investment in technology infrastructure and may require additional specialized headcount. The continuous development, testing, maintenance, and deployment of our AI and machine learning may also increase the cost profile of our offerings and may involve unforeseen difficulties including material performance problems, undetected defects, or errors. We may encounter technical obstacles, and it is possible that we may discover additional problems that may prevent our AI technologies from operating properly, which could adversely affect our business, financial condition, and results of operations. Potential government regulation in the

space of AI and machine learning also may increase the burden and cost of research and development in this area, subjecting us to reputational harm, competitive harm or legal liability. Implementation standards and enforcement practice are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business.

A decline in the prevalence of employer-sponsored healthcare or the emergence of new technologies may render our virtual care solutions obsolete or require us to expend significant resources to remain competitive.

The U.S. healthcare industry is massive, with a number of large market participants with conflicting agendas, is subject to significant government regulation, and is currently undergoing significant change. Changes in our industry, for example, away from high deductible health plans, or the emergence of new technologies as more competitors enter our market, could result in our solutions being less desirable or relevant.

For example, we currently derive the majority of our revenue in our Integrated Care segment from sales to Clients that purchase healthcare for their employees (either via insurance or self-funded benefit plans). A large part of the demand for our solutions depends on the need of these employers to manage the costs of healthcare services that they pay on behalf of their employees. Some experts have predicted that future healthcare reform will encourage employer-sponsored health insurance to become significantly less prevalent as employees migrate to obtaining their own insurance over the state-sponsored insurance marketplaces. Were this to occur, there is no guarantee that we would be able to compensate for the loss in revenue from employers by increasing sales of our solution to health insurance companies, individuals, or government agencies. In such a case, our business, financial condition, and results of operations would be adversely affected.

If healthcare benefits trends shift or entirely new technologies are developed that replace existing solutions, our existing or future solutions could be rendered obsolete, and 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 applications and enhancements.

If we fail to manage our growth effectively, our expenses could increase more than expected, our revenue may not increase and we may be unable to successfully execute on our growth initiatives, business strategies, or operating plans.

The development of our business in recent years has strained our business, technology, operations, and employees. To manage any anticipated future growth effectively, we must continue to maintain and enhance our information technology infrastructure, financial and accounting systems, and controls. For example, we have upgraded our customer relationship management (“CRM”) and enterprise resource planning (“ERP”) systems in connection with our acquisition and integration activities, and implemented a new EMR system for certain products. Any expected benefits from these systems will be gradual or may not be realized at all, and there have been, and in the future could be integration issues or inefficiencies as operators learn the new system. In addition, the introduction of a new system can lead to errors and loss of data or may not work as intended. The integration process between new and legacy systems may lead to temporary manual processes and possible data integrity issues. If our data were found to be inaccurate or unreliable due to error or fraud, or if we, or any of the third-party service providers we engage, were to fail to maintain information systems and data integrity effectively, we may not achieve the intended benefits of the new system and could experience operational disruptions that may impact our members and providers and hinder our ability to provide services, retain and attract members, and manage our member risk profiles. We must also attract, train, and retain a significant number of qualified sales and marketing personnel, customer support personnel, professional services personnel, software engineers, technical personnel, finance and accounting personnel, and management personnel, and the availability of such personnel, in particular software engineers, may be constrained. Additionally, our growth strategy requires the collection, storage, and analysis of a high volumes of data from internal and external sources. Failure to effectively utilize our current data or establish and integrate new systems of data capture may adversely impact our ability to achieve our strategic goals and business plans.

A key aspect to managing our growth is our ability to scale our capabilities to implement our solutions satisfactorily. Clients often require specific features or functions unique to their membership base, which, at a time of significant growth or during periods of high demand, may strain our implementation capacity and hinder our ability to successfully implement our solutions to our Clients in a timely manner. We may also need to make further investments in our technology and automate portions of our solutions or services to decrease our costs. If we are unable to address the needs of our Clients or members, or our Clients or members are unsatisfied with the quality of our solutions or services, they may not renew their contracts, seek to cancel or terminate their relationship with us, or renew on less favorable terms, any of which could cause our annual net dollar retention rate to decrease.

Failure to effectively manage our growth could also lead us to overinvest or underinvest in development and operations, result in weaknesses in our infrastructure, systems, or controls, give rise to operational mistakes, financial losses, loss of productivity or business opportunities and result in loss of employees and reduced productivity of remaining employees. Our growth is expected to continue to require significant capital expenditures and may divert financial resources from other projects such as the development of new applications and services. If our management is unable to effectively manage our growth, our expenses may increase more than expected, our revenue may not increase or may grow more slowly than expected, and we may be unable to implement our business strategy. The quality of our services may also suffer, which could negatively affect our reputation and harm our ability to attract and retain Clients and members.

We are continually executing a number of growth initiatives, strategies and operating plans designed to enhance our business, including the introduction of new products and solutions, the continued expansion of psychiatric services through Uplift, the continued expansion of BetterHelp into additional international markets and continued expansion of insurance coverage for BetterHelp within the U.S. The anticipated benefits from these efforts are based on several assumptions that may prove to be inaccurate. For example, to effectively market BetterHelp, we must educate consumers about the various purchase options and the benefits of using BetterHelp for mental health, including when such services may not be covered by their health insurance benefits. In addition, some users who traditionally have paid cash for BetterHelp services have, and may in the future, elect to use their insurance coverage going forward, which may result in lower revenue or margin from those users. If we are unable to effectively operationalize insurance acceptance of our BetterHelp business, or unable to successfully launch or expand into new international markets, our business, financial condition, results of operations may be adversely affected.

Moreover, we may not be able to successfully complete these growth initiatives, strategies, and operating plans and realize all of the benefits, including growth targets and cost savings, that we expect to achieve, or it may be more costly to do so than we anticipate. A variety of risks could cause us not to realize some or all of the expected benefits. These risks include, among others, delays in the anticipated timing of activities related to such growth initiatives, strategies and operating plans, increased difficulty and cost in implementing these efforts, including difficulties in complying with new regulatory requirements, and the incurrence of other unexpected costs associated with operating the business. Moreover, our continued implementation of these programs may disrupt our operations and performance. As a result, we cannot assure you that we will realize these benefits. If, for any reason, the benefits we realize are less than our estimates or the implementation of these growth initiatives, strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our business, financial condition, and results of operations may be materially adversely affected.

We have continued to implement operational excellence initiatives which include a number of restructuring, realignment and cost reduction initiatives. We may not realize the benefits of these initiatives to the extent or on the timing we anticipated and the ongoing difficulties in implementing these measures may be greater than anticipated and/or offset by inflationary pressures, which could cause us to incur additional costs. In addition, if these measures are not successful or sustainable, we may undertake additional realignment and cost reduction efforts, which could result in significant additional expenses and adversely impact our ability to achieve our other strategic goals and business plans.

Our growth depends in part on the success of our strategic relationships with third parties.

In order to grow our business, we anticipate that we will continue to depend on our relationships with third parties, including our partner organizations and technology and content providers. For example, we partner with a number of price transparency, health savings account, and other benefits platforms to deliver our solutions to their consumers. Identifying partners and negotiating and documenting relationships with them requires significant time and resources. Our competitors may be effective in providing incentives to third parties to favor their products or services or to prevent or reduce subscriptions to, or utilization of, our products and services. In addition, acquisitions of our partners by our competitors could result in a decrease in the number of our current and potential Clients, as our partners may no longer facilitate the adoption of our applications by potential Clients. If we are unsuccessful in establishing or maintaining our relationships with third parties, our ability to compete in the marketplace or to grow our revenue could be impaired and our business, financial condition, and results of operations may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased Client or member use of our applications or increased revenue.

Our business and growth strategy depend on our ability to maintain and expand a network of qualified providers. If we are unable to do so, any future growth would be limited and our business, financial condition, and results of operations would be harmed.

Our success is dependent upon our continued ability to maintain a network of qualified providers, and demand for such providers in both our Integrated Care and BetterHelp segments has become increasingly competitive. In order to ensure predictable availability of providers and a consistent member experience, we expect that the THMG Association will continue to hire more employed providers and rely less on contractors. If the THMG Association and the Uplift Association are unable to recruit and retain board-certified physicians, advanced practice providers, mental health providers, and other healthcare professionals, or unable to augment their employee bases with contractors to meet resource needs, it would adversely affect our business, financial condition, results of operations, and ability to grow. In any particular market, providers could demand higher payments or take other actions that could result in higher medical costs, less attractive and reliable service for our Clients and members, or difficulty meeting regulatory or accreditation requirements.

Our ability to develop and maintain satisfactory relationships with providers also may be negatively impacted by other factors not associated with us, such as state therapist or psychiatrist licensing laws and standard of care requirements, international credentialing requirements, changes in Medicare and/or Medicaid reimbursement levels and other pressures on healthcare providers and consolidation activity among hospitals, physician groups, and healthcare providers. The failure to maintain or to secure new cost-effective provider contracts may result in a loss of or inability to grow our membership base, higher costs, healthcare provider network disruptions, less attractive service for our Clients and members, and/or difficulty in meeting regulatory or accreditation requirements, any of which could have a material adverse effect on our business, financial condition, and results of operations.

Failure to adequately develop our direct sales force could impede our ability to grow.

We believe that our future growth will depend on the continued development of our direct sales force and our ability to obtain new Clients and to manage our existing Client base. Identifying and recruiting qualified personnel and training them requires significant time, expense, and attention. It can take six months or longer before a new sales representative is fully trained and productive. Our business may be adversely affected if our efforts to train our direct sales force do not generate a corresponding increase in revenue. In particular, if we are unable to hire and develop sufficient numbers of productive direct sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, sales of our services will suffer, and our ability to grow will be impeded.

Our sales and implementation cycle can be long and unpredictable and requires considerable time and expense, which may cause our results of operations to fluctuate.

The sales cycle for our solutions from initial contact with a potential lead to contract execution and implementation varies widely by Client and solution, ranging from a number of days to approximately 24 months. Business interruptions caused by economic conditions have and may continue to delay or lengthen some of our Clients' sales cycles. Some of our Clients undertake a significant and prolonged evaluation process, including to determine whether our services meet their unique healthcare needs, which frequently involves evaluation of not only our solutions but also an evaluation of those of our competitors, which has in the past resulted in extended sales cycles. For example, this has occurred and may continue to occur with respect to our chronic condition management solutions. Our sales efforts involve educating our Clients about the use, technical capabilities, and potential benefits of our solutions. During the sales cycle, we expend significant time and money on sales and marketing activities, which lowers our operating margins, particularly if no sale occurs. Moreover, our large enterprise Clients often begin to deploy our solutions on a limited basis, but nevertheless demand extensive configuration, integration services, and pricing concessions, which increase our upfront investment in the sales effort with no guarantee that these Clients will deploy our solutions widely enough across their organization to justify our substantial upfront investment. It is possible that in the future we may experience even longer sales cycles, more complex Client needs, higher upfront sales costs, and less predictability in completing some of our sales as we continue to expand our direct sales force, expand into new territories, and market additional applications and services. If our sales cycle lengthens or our substantial upfront sales and implementation investments do not result in sufficient sales to justify our investments, it could have a material adverse effect on our business, financial condition, and results of operations.

Economic uncertainties or downturns in the general economy or the industries in which we or our Clients operate could disproportionately affect the demand for our solutions and negatively impact our business, financial condition and results of operations.

Economic downturns, market volatility, inflation, tariffs, and uncertainty make it potentially very difficult for our Clients and us to accurately forecast and plan future business activities. During challenging economic times, our Clients may have difficulty gaining timely access to sufficient credit or obtaining credit on reasonable terms, which could impair their ability to make timely payments to us and adversely affect our revenue. If that were to occur, our financial results could be harmed. Furthermore, we have Clients in a variety of different industries. A significant downturn in economic activity attributable to any particular industry may cause organizations to react by reducing their capital and operating expenditures in general or by specifically reducing their spending on healthcare matters, including chronic care and mental health solutions. In addition, our Clients may delay or cancel healthcare projects or seek to lower their costs by renegotiating vendor contracts. To the extent purchases of our solutions are perceived by Clients and potential Clients to be discretionary, our revenue may be disproportionately affected by delays or reductions in general healthcare spending. Also, competitors may respond to challenging market conditions by lowering prices and attempting to lure away our Clients or members.

Similarly, economic conditions may impact the ability of our members to pay for our BetterHelp services, particularly if such services are perceived by members to be discretionary and too expensive or if we are unsuccessful in our efforts to obtain insurance coverage for BetterHelp in all U.S. states and territories. For example, BetterHelp paying users continued to decrease during 2025, and any further decrease in, or reduction in growth of, the number of paying users who utilize our BetterHelp services would negatively impact our business, financial condition and results of operations.

Further, challenging economic conditions, including as a result of increased inflation, may impair the ability of our Clients to pay for the applications and services they already have purchased from us and, as a result, our write-offs of accounts receivable could increase. We cannot predict the timing, strength, or duration of any economic slowdown or recovery. If the condition of the general economy or markets in which we operate worsens, our business, financial condition, and results of operations could be harmed.

Our quarterly results may fluctuate significantly, which could adversely impact the value of our common stock.

Our quarterly results of operations, including our revenue, gross profit, net loss, and cash flows, have varied and may vary significantly in the future, and period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our quarterly results should not be relied upon as an indication of future performance. Our quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, including, without limitation, the following:

- the addition or loss of large Clients, including through acquisitions or consolidations of such Clients;
- seasonal and other variations in the timing of the sales of our services or the cost of BetterHelp customer acquisitions, as discussed above;
- the timing of recognition of revenue, including possible delays in the recognition of revenue due to sometimes unpredictable Client implementation and launch timelines and performance guarantees;
- the amount and timing of operating expenses related to the maintenance and expansion of our business, operations, and infrastructure;
- the effectiveness of our revenue cycle management processes;
- our ability to effectively manage the size and composition of our proprietary network of healthcare professionals relative to the level of demand for services from our members;
- the timing and success of introductions of new applications and services by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, Clients, or strategic partners;
- Client renewal rates and the timing and terms of Client renewals;

- the mix of applications and services sold during a period;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill and/or other assets; and
- changes in the value or useful lives of our assets.

We are particularly subject to fluctuations in our quarterly results of operations because the costs associated with entering into Client contracts are generally incurred up front, while we generally recognize revenue over the term of the contract. Further, most of our Integrated Care revenue in any given quarter is derived from contracts entered into with our Clients during previous quarters. Consequently, a decline in new or renewed contracts in any one quarter may not be fully reflected in our revenue for that quarter. Such declines, however, would negatively affect our revenue in future periods and the effect of significant downturns in sales of and market demand for our solutions, and potential changes in our rate of renewals or renewal terms, may not be fully reflected in our results of operations until future periods. Our access fee model also makes it difficult for us to rapidly increase our total revenue through additional sales in any period, with the exception of the first quarter during peak benefits enrollment, as revenue from new Clients must be recognized over the applicable term of the contract. Accordingly, the effect of changes in the industry impacting our business or changes we experience in our new sales may not be reflected in our short-term results of operations. Any fluctuation in our quarterly results may not accurately reflect the underlying performance of our business and could cause a decline in the trading price of our common stock.

We depend on a limited number of third-party suppliers for certain components of our medical devices, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials, could harm our business.

We utilize sole source contract manufacturing vendors to build and assemble our medical device products. The hardware components included in such devices are sourced from various suppliers by the manufacturers thereof and are principally industry standard parts and components that are available from multiple vendors. Quality or performance failures of the devices or changes in the contractors' or vendors' financial or business condition could disrupt our ability to supply quality products to our Clients and members and thereby have a material adverse impact on our business, financial condition, and results of operations.

For our business strategy to be successful, our suppliers must be able to provide us with components in sufficient quantities, in compliance with regulatory requirements and quality control standards, in accordance with agreed upon specifications, at acceptable costs and on a timely basis. Increases in our product sales, whether forecasted or unanticipated, could strain the ability of our suppliers to deliver an increasingly large supply of components in a manner that meets these various requirements.

Despite the terms in our supply agreements, our suppliers may encounter problems that limit their ability to supply products to us, including financial difficulties, further imposition of tariffs that impact the suppliers' ability to perform their obligations or significantly increase the amount we pay, labor shortages, shutdowns related to a pandemic or other emergency, shipping delays, or damage to their manufacturing equipment or facilities. As a result, our ability to purchase adequate quantities of our products may be limited. If we fail to obtain sufficient quantities of high-quality components to meet demand on a timely basis, we could lose Clients or members, our reputation may be harmed, and our business could suffer. For certain of our contracts, we have obligations to provide a blood glucose meter and other supplies to new members within a certain specified period of time, and/or to provide replacements for defective blood glucose meters within a certain specified period of time. If we are regularly unable to meet those obligations, our channel partners, resellers, or Clients may decide to terminate their contracts.

Depending on a limited number of suppliers, or on a sole supplier, exposes us to risks, including limited control over pricing, availability, quality, and delivery schedules. Moreover, we may not be able to convince suppliers to continue to make components available to us unless there is demand for such components from their other clients. As a result, there is a risk that certain components could be discontinued and no longer available to us, including as a result of economic conditions or other supply chain disruptions. If any one or more of our suppliers cease to provide us with sufficient quantities of components in a timely manner or on terms acceptable to us, we would have to seek alternative sources of supply. Because of factors such as the proprietary nature of our solutions, our quality control standards, and regulatory requirements, we cannot quickly engage additional or replacement suppliers for some of our critical components. Failure of any of our suppliers to deliver products at the level our business requires would limit our ability to meet our sales

commitments, which could harm our reputation and could have a material adverse effect on our business. We may also have difficulty qualifying new suppliers and obtaining similar components from other suppliers that are acceptable to the FDA or other regulatory agencies, and the failure of our suppliers to comply with strictly enforced regulatory and quality requirements could expose us to regulatory action including warning letters, product recalls, termination of distribution, product seizures, or civil penalties. It could also require us to cease using the components, seek alternative components or technologies, and modify our solutions to incorporate alternative components or technologies, which could result in a requirement to seek additional regulatory approvals or clearances for alternative components used in our medical devices. Any disruption of this nature or increased expenses could harm our commercialization efforts and adversely affect our business, financial condition, and results of operations.

From time to time our devices may also be subject to expiration and/or end-of-life from our manufacturers. Failure to effectively mitigate this via safety-stock, new manufacture, or equivalent products could impair our ability to provide care to members.

Additionally, trade protection measures, such as tariffs and other duties, as well as cost inflation have led to higher material costs in recent years, which we have not always been able to successfully offset, and any future cost inflation may adversely affect our business, financial condition, and results of operations. Ongoing trade tensions have resulted in multiple rounds of tariffs affecting medical device components, manufacturing equipment, and related supplies. Although tariffs on medical device components remain a risk, our current exemption for custom components under the Nairobi Protocol mitigates this exposure. However, if this exemption were to be rescinded or if new targeted tariffs were enacted that apply to our products or inputs, our manufacturing costs could increase significantly, and it would be difficult and costly to qualify alternative sources within another country with a lower tariff rate or within the United States, as developing and qualifying alternative sources takes significant time, substantial investment and regulatory approvals. Moreover, the dynamic and unpredictable tariff and trade landscape creates substantial uncertainty and significant planning challenges for our operations. Changes in tariff classifications, country-of-origin requirements, or customs procedures can occur with limited notice. This uncertainty complicates our long-term investment decisions regarding manufacturing facilities, supply chain optimization, and research and development locations.

Our international operations pose certain political, legal and compliance, operational, regulatory, economic, and other risks to our business that may be different from or more significant than risks associated with our domestic operations, and our exposure to these risks is expected to increase.

Our international business is subject to political, legal and compliance, operational, regulatory, economic, and other risks resulting from differing legal and regulatory requirements, political, social, and economic conditions and unforeseeable developments in a variety of jurisdictions. These risks vary widely by country and include varying regional and geopolitical business conditions and demands, government intervention and censorship, discriminatory regulation, nationalization or expropriation of assets, and pricing constraints. Our international solutions need to meet country-specific Client and member preferences as well as country-specific legal requirements, including those related to licensing, credentialing, virtual care, privacy, data storage, location, protection, and security. Our ability to conduct virtual care services internationally is subject to the applicable laws governing remote healthcare, including online counseling and therapy services, and the practice of medicine in such location, and the interpretation of these laws is evolving and vary significantly from country to country and are enforced by governmental, judicial, and regulatory authorities with broad discretion. We cannot, however, be certain that our interpretation of such laws and regulations is correct in how we structure our operations, our arrangements with physicians, clinicians, services agreements, and customer arrangements. We earned approximately 18% of revenue internationally in 2025, and we expect this may increase as BetterHelp continues to expand internationally.

Our international operations require us to overcome logistical and other challenges based on differing languages, cultures, legal and regulatory schemes, and time zones. Our international operations encounter labor laws, customs, and employee relationships that can be difficult, less flexible than in our domestic operations and expensive to modify or terminate. In some countries we are required to, or choose to, operate with local business partners, which requires us to manage our partner relationships and may reduce our operational flexibility and ability to quickly respond to business challenges.

Our international operations are also subject to particular risks in addition to those faced by our domestic operations, including:

- the need to localize and adapt our solutions for specific countries, including translation into foreign languages and associated expenses;
- obtaining regulatory approvals or clearances where required for the sale of our solutions, devices, and services in various countries;
- potential loss of proprietary information due to misappropriation or laws that may be less protective of our intellectual property rights than U.S. laws or that may not be adequately enforced;
- requirements of foreign laws and other governmental controls, including compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including employment, healthcare, tax, privacy, consumer protection, and data protection laws and regulations;
- data privacy laws that require that Client and member data be stored and processed in a designated territory;
- new and different sources of competition and laws and business practices favoring local competitors;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the FCPA and other anti-corruption laws and regulations;
- trade protection measures, such as tariffs and other duties, which could exacerbate trade disputes between the U.S. and several foreign countries, including China, as well as sanctions and export control measures targeting certain countries, and increases in the prices of devices and supplies delivered in connection with our programs;
- central bank and other restrictions on our ability to repatriate cash from international subsidiaries;
- adverse tax consequences;
- fluctuations in currency exchange rates, economic instability, and inflationary conditions, which could make our solutions more expensive or increase our costs of doing business in certain countries;
- limitations on future growth or inability to maintain current levels of revenues from international sales if we do not invest sufficiently in our international operations;
- different pricing environments, longer sales cycles, and longer accounts receivable payment cycles and collections issues;
- difficulties in staffing, managing and operating our international operations, including difficulties related to administering our stock plans in some foreign countries and increased financial accounting and reporting burdens and complexities;
- difficulties in coordinating the activities of our geographically dispersed and culturally diverse operations;
- political unrest, war, terrorism, economic instability, curtailment of trade, epidemics (such as the COVID-19 pandemic), or regional natural disasters, particularly in areas in which we have facilities.

Our overall success in international markets depends, in part, on our ability to anticipate and effectively manage these risks and there can be no assurance that we will be able to do so without incurring unexpected costs. If we are not able to manage the risks related to our international operations, our business, financial condition, and results of operations may be materially adversely affected. As our efforts to expand BetterHelp into additional international markets continues, the risks described above may continue to grow as well.

We depend on our senior management team, and the loss of one or more of our executive officers or key employees or an inability to attract and retain highly skilled employees could adversely affect our business.

Our success depends largely upon the continued services of our key executive officers and other senior leaders, and on our ability to attract and retain qualified leaders. These individuals are at-will employees and therefore they may terminate employment with us at any time with no advance notice. We have had several recent executive transitions and there may be additional changes in our senior management team resulting from the hiring or departure of executives or other key employees or from additional changes to our operational structure, 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 cannot predict the likelihood, timing or effect of future transitions among our senior leadership. The loss of the services of our executive officers or other key employees, or inability to attract and retain qualified leaders, could impede the achievement of our objectives and harm our ability to successfully implement our business strategy. For example, certain of our employees have taken on increased responsibilities in connection with changes to our operational structure over the past several years, which could divert attention from key business areas, and the realignment of our leadership structure could result in a lack of clear ownership for key products and processes.

To continue to execute our growth strategy, we also must attract and retain highly skilled personnel. However, competition in the job market is intense for a limited pool of qualified professionals. Inability to meet the ever-increasing expenses (including salaries, benefits and technology costs) of attracting and retaining talent may threaten our ability to provide the staffing resources needed to execute our growth strategy. We have from time to time in the past experienced, and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled personnel with appropriate qualifications. The pool of qualified personnel with experience working in the healthcare market is limited overall. In addition, many of the companies with which we compete for experienced personnel have greater resources than we have.

In addition, in making employment decisions, job candidates often consider the value of the equity-based awards they are to receive in connection with their employment. Volatility in the price of our stock may, therefore, adversely affect our ability to attract or retain highly skilled personnel. Further, the requirement to expense other equity-based compensation or our efforts to limit stockholder dilution from our equity compensation programs have discouraged us in the past, and may discourage us in the future, from granting the size or type of equity awards that job candidates require to join our company. Failure to attract new personnel or failure to retain and motivate our current personnel, could have a material adverse effect on our business, financial condition, and results of operations.

We are dependent on our ability to recruit, retain and develop a very large workforce. We must evolve our culture in order to successfully grow our business.

Our products and services and our operations require a large number of employees. Our success is dependent on our ability to evolve our culture, align our talent with our business needs, engage our employees, and inspire our employees to be open to change, to innovate, and to maintain member- and Client-focus when delivering our services. Our business would be adversely affected if we fail to adequately plan for succession of our executives and senior management; or if we fail to effectively recruit, integrate, retain, and develop key talent and/or align our talent with our business needs, in light of the current rapidly changing environment. While we have succession plans in place and we have employment arrangements with a limited number of key executives, these do not guarantee that the services of these or suitable successor executives will continue to be available to us.

If we fail to develop widespread brand awareness cost-effectively, or are subject to widespread negative media coverage or social media engagement, our business may suffer.

We believe that developing and maintaining widespread awareness of our brands in a cost-effective manner is critical to achieving widespread adoption of our solutions and attracting new Clients and members. Our brand promotion activities may not generate Client or member awareness or increase revenue, and even if they do, any increase in revenue may not offset the expenses we incur in building our brands. If we fail to successfully promote and maintain our brands, or incur substantial expenses in doing so, we may fail to attract or retain Clients or members necessary to realize a sufficient return on our brand-building efforts or to achieve the widespread brand awareness that is critical for broad Client and member adoption of our solutions.

In addition, unfavorable publicity regarding, among others, us, our business, our solutions, the healthcare industry, litigation or regulatory activity, our data privacy, or data security practices, or those of other participants in our industry, could materially adversely affect our reputation. From time to time, news media outlets have provided negative coverage regarding virtual care and privacy practices, in particular related to BetterHelp. Any negative media coverage or public perceptions about our brand, regardless of the accuracy of such reporting or perceptions, may have an adverse impact on our business and reputation, as well as have an adverse effect on our ability to attract and retain Clients, members or employees, and result in decreased revenue, which could materially adversely affect our business, financial condition and results of operations.

Our Clients, members and other individuals may also engage with us online through social media pages or provide feedback and public commentary about all aspects of our business and industry. Information concerning us or our services, whether accurate or not, may be posted on social media pages at any time and may have a disproportionately adverse impact on our brand, reputation or business. The harm may be immediate without affording us an opportunity to respond and could materially adversely affect our business, financial condition and results of operations.

Our BetterHelp marketing efforts may not be successful or may become more expensive, either of which could increase our costs and adversely affect our business, financial condition, results of operations, and cash flows.

BetterHelp represented 38% of our total consolidated revenue in 2025. We spend significant resources marketing this service, and the cost of customer acquisition increased in 2025. Any decrease in the amount or effectiveness of our BetterHelp marketing efforts could lead to lower revenue or growth and profitability of this business. Further, if the cost of customer acquisition for BetterHelp remains elevated or continues to increase, it could materially adversely affect our business, financial condition and results of operations.

In addition, we rely on relationships for our BetterHelp business with a wide variety of third parties, including internet search providers such as Google, social networking platforms such as Facebook, internet advertising networks, co-registration partners, retailers, distributors, television advertising agencies, and direct marketers, to source new members and to promote or distribute our services and products. If these third parties and social networking platforms materially change how they permit companies to advertise with them, it could materially adversely affect our business, financial condition and results of operations. Also, in connection with the launch of new services or products, features or markets for our BetterHelp business, including our expansion of insurance coverage and new international markets, we have spent, and may continue to spend, a significant amount of resources on marketing, which could divert resources from marketing efforts for our traditional BetterHelp service, which could lead to a decrease in the acquisition of new paying users for that service. The ability of our advertising spend to efficiently attract new members and increase engagement of current members has led to a decline in visit volume and revenue. If our marketing activities are inefficient or unsuccessful, if important third-party relationships or marketing strategies, such as internet search engine marketing and search engine optimization, become more expensive or unavailable, or are suspended, modified, or terminated, for any reason, if there is an increase in the proportion of individuals visiting our websites or purchasing our services by way of marketing channels with higher marketing costs as compared to channels that have lower or no associated marketing costs or if our marketing efforts do not result in our services being prominently ranked in internet search listings, our business, financial condition, results of operations, and cash flows could be materially and adversely impacted.

In order to support the growth of our business, we have and may need to incur additional indebtedness or seek capital through new equity or debt financings, which sources of additional indebtedness or capital may not be available to us on acceptable terms or at all.

Our operations have consumed substantial amounts of cash since inception and we intend to continue to make significant investments to support our growth, respond to business challenges or opportunities, develop new applications and services, enhance our existing solutions and services, enhance our operating infrastructure, and potentially acquire complementary businesses and technologies. For the years ended December 31, 2025 and 2024, our net cash provided by operating activities was \$294.4 million and \$293.7 million, respectively. As of December 31, 2025, we had \$781.1 million of cash and cash equivalents which are held for working capital purposes, capital expenditures, and other corporate purposes. On the May 15, 2025 maturity date, we paid \$0.6 million to settle the outstanding principal amount of 1.375% convertible senior notes due 2015 and, on the June 1, 2025 maturity date, we paid \$550.0 million to settle the outstanding principal amount of 0.875% convertible senior notes due 2025 that were issued by Livongo Health, Inc. for which we agreed to assume all of Livongo's rights and obligations. As of December 31, 2025, we had outstanding \$1,000.0 million of 1.25% convertible senior notes due 2027 (the "Notes").

In addition, on July 17, 2025 we entered into a credit agreement (the “Credit Agreement”) that provides for a five year, \$300.0 million senior secured revolving credit facility (the “Revolving Credit Facility”). As of December 31, 2025, the Company had approximately \$3.4 million of outstanding letters of credit under the Revolving Credit Facility, leaving approximately \$296.6 million available for borrowing, from which we had not drawn. Our obligations under the Credit Agreement are unconditionally guaranteed by all of our material domestic and foreign wholly-owned subsidiaries (the “Subsidiary Guarantors” and together with us, the “Obligors”), with customary exceptions. The Credit Agreement contains customary representations and warranties, affirmative covenants, negative covenants and events of default, including limitations on our ability to incur additional indebtedness, merge with other companies or consummate certain changes of control, acquire other companies, make certain investments, pay dividends and transfer or dispose of assets. The Credit Agreement also contains financial covenants that are tested on the last day of each of our fiscal quarters. These financial covenants include a maximum secured net leverage ratio of 3.5:1, subject to a 4.0:1 covenant holiday following certain permitted acquisitions or permitted collaborations, and a minimum consolidated interest coverage ratio of 3.0:1. These covenants could limit our ability to seek capital through the incurrence of new indebtedness or, if we are unable to meet the financial covenants, require us to repay any outstanding amounts with sources of capital we may otherwise use to fund our business, operations and strategy.

We may be required to use a substantial portion of our cash flows from operations to pay interest and principal on our indebtedness. Our ability to make scheduled payments of the principal of, to pay interest on, or to refinance our indebtedness, including the Notes, depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Such payments will reduce the funds available to us for working capital, capital expenditures, and other corporate purposes and limit our ability to obtain additional financing for working capital, capital expenditures, expansion plans, and other investments, which may in turn limit our ability to implement our business strategy, heighten our vulnerability to downturns in our business, the industry, or in the general economy, limit our flexibility in planning for, or reacting to, changes in our business and the industry, and prevent us from taking advantage of business opportunities as they arise. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt, make necessary capital expenditures and fund our operations. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. If we are unable to engage in any of these activities or engage in these activities on desirable terms, it could result in a default on our debt obligations, which would adversely affect our business, financial condition, and results of operations. We may settle conversions of the Notes through payment or delivery, as the case may be, of cash, shares of our common stock, or a combination of cash and shares of our common stock. The amount of cash paid, or number of shares delivered, in connection with any conversion may be material and could result in a significant depletion in the cash available to fund our operations or significant dilution to our stockholders.

Our future capital requirements may be significantly different from our current estimates and will depend on many factors, including our growth rate, subscription renewal activity, the timing and extent of spending to support development efforts, the expansion of sales and marketing activities, the introduction of new or enhanced services, and the continuing market acceptance of virtual care. Accordingly, we may need to engage in equity or debt financings or collaborative arrangements 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 become more expensive due to rising interest rates or involve restrictive covenants relating to our capital-raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, during times of economic instability, it has been difficult for many companies to obtain financing in the public markets or to obtain debt financing, and we may not be able to obtain additional financing on commercially reasonable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, it could have a material adverse effect on our business, financial condition, and results of operations.

The investment of our cash and cash equivalents is subject to risks which may cause losses and affect the liquidity of these investments.

At December 31, 2025, we had \$781.1 million in cash and cash equivalents. Our investments may also include commercial paper, securities issued by the U.S. government obligations, bank deposits, and money market funds meeting the criteria of our investment policy, which is focused on the preservation of our capital and liquidity. These investments are subject to general credit, liquidity, and market and interest rate risks, particularly in the current economic environment. We may realize losses in the fair value of these investments or a complete loss of these investments, which would have a

negative effect on our consolidated financial statements. In addition, should our investments cease paying or reduce the amount of interest paid to us, our interest income would suffer. The market risks associated with our investment portfolio may have an adverse effect on our results of operations, liquidity and financial condition.

Foreign currency exchange rate fluctuations could adversely affect our business, financial condition and results of operations.

Our business is exposed to fluctuations in exchange rates. Although our reporting currency is the U.S. dollar, we operate in different geographical areas and transact in a range of currencies in addition to the U.S. dollar. As a result, movements in exchange rates may cause our revenue and expenses to fluctuate, impacting our profitability and cash flows. Future business operations and opportunities, including any continued expansion of our business outside the U.S., may further increase the risk that cash flows resulting from these activities may be adversely affected by changes in currency exchange rates. In the event we are unable to offset these risks, there may be a material adverse impact on our business, financial condition, and results of operations. In appropriate circumstances where we are unable to naturally offset our exposure to these currency risks, we may enter into derivative transactions to reduce such exposures. Even where we implement hedging strategies to mitigate foreign currency risk, these strategies might not eliminate our exposure to foreign currency exchange rate fluctuations and involve costs and risks of their own, such as ongoing management time and expertise, costs to implement the strategies, and potential accounting implications. Nevertheless, exchange rate fluctuations may either increase or decrease our revenues and expenses as reported in U.S. dollars. Moreover, foreign governments may restrict transfers of cash out of the country, control exchange rates and enforce exchange controls. There can be no assurance that we will be able to repatriate our earnings, and at exchange rates that are beneficial to us, which could have a material adverse effect on our business, financial condition, and results of operations.

Natural or man-made disasters and other similar events may significantly disrupt our business and negatively impact our business, financial condition, and results of operations.

Our offices may be harmed or rendered inoperable by natural or man-made disasters, including earthquakes, power outages, fires, floods, nuclear disasters, health epidemics (including the COVID-19 pandemic), war, and acts of terrorism or other criminal activities, which may render it difficult or impossible for us to operate our business for some period of time. For example, the COVID-19 pandemic, including its variants, disrupted the normal operations of our business, and any other similar pandemic or epidemic may result in the same among other impacts. As another example, our headquarters are located in New York City, a region with a history of terrorist attacks and hurricanes. Acts of terrorism, including malicious internet-based activity, could cause disruptions to the internet or the economy as a whole. Even with our disaster recovery arrangements, access to our platform could be interrupted. If our systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver our platform and solution to our Clients and members would be impaired or we could lose critical data. Although we maintain an insurance policy covering damage to property we rent, such insurance may not be sufficient to compensate for losses that may occur. 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, any such losses or damages could have a material adverse effect on our business, financial condition and results of operations and harm our reputation. In addition, our Clients' facilities may be harmed or rendered inoperable by such natural or man-made disasters, which may cause disruptions, difficulties, or material adverse effects on our business.

Risks Related to Information Technology

We rely on data center providers, internet infrastructure, bandwidth providers, third-party computer hardware and software, network and cloud service providers, other third parties and our own systems for providing services to our Clients and members, and any failure or interruption in the services provided by these third parties or our own systems could expose us to litigation and negatively impact our relationships with Clients and members, adversely affecting our brand and our business, financial condition and results of operations.

We serve all of our Clients and members leveraging a multi-cloud architecture using leading multinational vendors. The actual instances are geographically diverse to insulate our applications from local failures and have an additional layer of redundancy provided by company-managed data centers. While we control and have access to our servers, we do not control the operation of these facilities. The cloud vendors and the owners of our data center facilities have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our cloud vendors or data center operators is acquired, we may be required to transfer our servers and other infrastructure to a new vendor or a new data center facility, and we may

incur significant costs and possible service interruption in connection with doing so. Problems faced by our cloud vendors or third-party data center locations with the telecommunications network providers with whom we or they contract or with the systems by which our telecommunications providers allocate capacity among their clients, including us, could adversely affect the experience of our Clients and members. Our cloud vendors or third-party data center operators could decide to close their facilities without adequate notice. In addition, any financial or business actions by our cloud vendors, third-party data centers operators, or any of the service providers with whom we or they contract may have negative effects on our business, financial condition, and results of operations, the nature and extent of which are difficult to predict. These financial or business actions may include bankruptcy declarations or decisions to acquire or develop products that compete directly with our solutions. Should they compete against us, we may be at a disadvantage because they may gain additional insights into our system by analyzing our cloud traffic on their servers.

In addition, our ability to deliver our services that rely on internet or mobile technology depends on the development and maintenance of the infrastructure of the internet or mobile technology 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 in accordance with our service level commitments. However, we have experienced and expect that 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, we may experience an extended period of system unavailability, which could negatively impact our relationship with Clients and members. To operate without interruption, both we and our service providers must guard against:

- damage from fire, power loss, natural disasters, health epidemics (including the COVID-19 pandemic), 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 exercise limited control over third-party vendors, which increases our vulnerability to problems with technology and information services they provide. Interruptions in our network access and services in connection with third-party technology and information services may reduce our revenue, cause us to issue refunds to Clients or members for prepaid and unused subscription services, subject us to potential liability, or adversely affect Client or member renewal rates. Although we maintain a security and privacy damages insurance policy, the coverage under our policies may not be adequate to compensate us for all losses that may occur related to the services provided by our third-party vendors. In addition, we may not be able to continue to obtain adequate insurance coverage at an acceptable cost, if at all.

Our ability to rely on these services of third-party vendors could be impaired as a result of the failure of such providers to comply with applicable laws, regulations, and contractual covenants, or as a result of events affecting such providers, such as power loss, telecommunication failures, software or hardware errors, computer viruses, cyber incidents, and similar disruptive problems, fire, flood, and natural disasters. Any such failure or event could adversely affect our relationships with our Clients and members and damage our reputation. This could materially and adversely impact our business, financial condition, and results of operations.

If our or our vendors' security measures fail or are breached and unauthorized access to a Client's or member's data is obtained, then our services may be perceived as insecure, we may incur significant liabilities, our reputation may be harmed, and we could lose sales, Clients, and members.

Our services involve the storage and transmission of Clients' and our members' proprietary information, sensitive or confidential data, including valuable intellectual property and personal information of employees, Clients, members and others, as well as the PHI of our members. Because of the sensitivity of the information we store and transmit, the security features of our and our third-party vendors' computer, network, and communications systems infrastructure are critical to the success of our business. A breach or failure of our or our third-party vendors' security measures could result from a variety of circumstances and events, including third-party action, employee negligence or error, malfeasance, computer viruses, cyber-attacks by computer hackers, failures during the process of upgrading or replacing software and databases, power outages, hardware failures, telecommunication failures, user errors, or catastrophic events. Information security risks

have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber-attacks. As cyber threats continue to evolve, we may be required to expend additional resources to further enhance our information security measures and/or to investigate and remediate any information security vulnerabilities. While we have security measures in place, we have experienced cybersecurity incidents in the past. Likewise, our third-party vendors have experienced cybersecurity incidents in the past that have impacted us. To date, management has not determined that any cybersecurity incidents the Company has experienced, including incidents our third-party vendors have experienced, have resulted in, or are reasonably likely to result in, a material impact to our business. We learn from these incidents and adjust controls and incident response procedures as needed. If our or our third-party vendors' security measures fail or are breached, it could result in unauthorized persons accessing sensitive Client or member data (including PHI), a loss of or damage to our data, an inability to access data sources, or process data or provide our services to our Clients or members. Such failures or breaches of our or our third-party vendors' security measures, or our or our vendors' inability to effectively resolve such failures or breaches in a timely manner, could severely damage our reputation, adversely affect Client, member, or investor confidence in us, and reduce the demand for our services from existing and potential Clients or members. In addition, we could face litigation, damages for contract breach, monetary penalties, or regulatory actions for violation of applicable laws or regulations, and incur significant costs for remedial measures to prevent future occurrences and mitigate past violations. Applicable data protection laws, privacy policies, or data protection obligations may require us to notify affected individuals, regulators, customers, credit reporting agencies, and others in the event of a security breach. Members about whom we obtain health information, as well as the providers who share this information with us, may have statutory or contractual rights that limit our ability to use and disclose the information. We may be required to expend significant capital and other resources to ensure ongoing compliance with applicable data protection laws, privacy policies, and data protection obligations. Claims that we have violated individuals' privacy rights or breached our data protection obligations, even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business. Although 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.

We may experience cybersecurity and other breach incidents that remain undetected for an extended period. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched, we may be unable to anticipate these techniques or to implement adequate preventive measures. If an actual or perceived breach of our security occurs, or if we are unable to effectively resolve such breaches in a timely manner, the market perception of the effectiveness of our security measures could be harmed and we could lose sales, Clients, and members, which could have a material adverse effect on our business, financial condition, and results of operations.

Also, the threat of ransomware could result in large-scale business disruption and data breach. A successful attack could shut down our ability to provide our services for an extended period of time, the result of which would be the loss of revenue, potential fines and costs associated with data loss, as well as a blemished reputation that could hinder our ability to retain and attract Clients and members.

Our proprietary software may not operate properly or meet the expectations of our Clients or members, which could damage our reputation, give rise to claims against us, or divert application of our resources from other purposes, any of which could harm our business, financial condition, and results of operations.

Our application platform provides our members and providers with the ability to, among other things: register for our services; complete, view and edit medical history; request a visit (either scheduled or on demand); conduct a visit (via video or phone); use our devices to collect health information; and initiate an expert medical service. Proprietary software development is time consuming, expensive, and complex, and may involve unforeseen difficulties. From time to time we have encountered design and technical obstacles that have led to performance and usability challenges, and it is possible that we may discover additional problems that prevent our proprietary applications from operating properly or meeting the expectations of our Clients or members. We continue to implement software with respect to a number of new applications and services. If our solutions do not function reliably or fail to achieve Client or member expectations in terms of performance, Clients or members could assert liability claims against us or attempt to cancel their contracts with us. This could damage our reputation and impair our ability to attract or maintain Clients and members, and could have a material adverse effect on our business, financial condition, and results of operations.

Moreover, data services are complex and those we offer have in the past contained, and may in the future develop or contain, undetected defects or errors. Material performance problems, defects, or errors in our existing or new software

and applications and services may arise in the future and may result from interface of our solutions with systems and data that we did not develop and the function of which is outside of our control or undetected in our testing. These defects and errors, and any failure by us to identify and address them, could result in loss of revenue or market share, diversion of development resources, harm to our reputation, incomplete clinical information for our members and increased service and maintenance costs. Defects or errors may discourage existing or potential Clients or members from purchasing our solutions from us or may cause existing Clients to terminate their relationship with us. Correction of defects or errors could prove to be impossible or impracticable. The costs incurred in correcting any defects or errors may be substantial and could have a material adverse effect on our business, financial condition, and results of operations.

If we cannot implement our solutions for Clients, enroll members or resolve any technical issues in a timely manner, we may lose Clients or members and our reputation may be harmed, which could have a material adverse effect on our business, financial condition and results of operations.

Our Clients utilize a variety of data formats, applications, and infrastructure and our solutions must support our Clients' data formats and integrate with complex enterprise applications and infrastructures. If our virtual care platform does not currently support a Client's required data format or appropriately integrate with a Client's applications and infrastructure, then we must configure our platform to do so, which increases our expenses. Additionally, we do not control our Clients' implementation schedules. As a result, if our Clients do not allocate the internal resources necessary to meet their implementation responsibilities or if we face unanticipated implementation difficulties, the implementation may be delayed. If the Client implementation process is not executed successfully or if execution is delayed, we could incur significant costs, Clients could become dissatisfied and decide not to increase utilization of our solutions or not to implement our solutions beyond an initial period prior to their term commitment or, in some cases, revenue recognition could be delayed. In addition, competitors with more efficient operating models with lower implementation costs could jeopardize our Client relationships. In addition, our growth in recent years has led to multiple eligibility systems that has at times caused, and may in the future cause, challenges regarding member eligibility verification, which could result in member inability to access care, decreased enrollment and other negative business and financial impacts, including increased administrative costs.

Our Clients and members depend on our support services to resolve any technical issues relating to our solutions and services, and we may be unable to respond quickly enough to accommodate short-term increases in member demand for support services, particularly as we increase the size of our Client and membership bases. We also may be unable to modify the format of our support services to compete with changes in support services provided by competitors. It is difficult to predict member demand for technical support services, and if member demand increases significantly, we may be unable to provide satisfactory support services to our members. Further, if we are unable to address members' needs in a timely fashion or further develop and enhance our solution, or if a Client or member is not satisfied with the quality of work performed by us or with the technical support services rendered, then we could incur additional costs to address the situation or be required to issue credits or refunds for amounts related to unused services, and our profitability may be impaired and Clients' and members' dissatisfaction with our solution could damage our ability to expand the number of applications and services purchased by such Clients. These Clients may not renew their contracts, seek to terminate their relationship with us, or renew on less favorable terms, or members may not renew their subscriptions to our BetterHelp services. Moreover, negative publicity related to our Client or member relationships, regardless of its accuracy, may further damage our business by affecting our reputation or ability to compete for new business with current and prospective Clients or members. If any of these were to occur, our revenue may decline and our business, financial condition, and results of operations could be materially adversely affected.

Risks Related to Government Regulation

Our business could be adversely affected by legal challenges to our business model or by actions restricting our ability to provide the full range of our services in certain jurisdictions.

Our ability to conduct our business in a particular U.S. state or non-U.S. jurisdiction is directly dependent upon the applicable laws governing virtual healthcare, the practice of medicine, and healthcare delivery in general in such location which are subject to changing political, regulatory, and other influences. With respect to virtual care services, in the past, state medical boards have established new rules or interpreted existing rules in a manner that has limited or restricted our ability to conduct our business as it was conducted in other states. Some of these actions have resulted in litigation and the suspension or modification of our virtual care operations in certain states. With respect to expert medical services, we believe that they do not constitute the practice of medicine in any jurisdiction in which we provide them. However, the extent to which a U.S. state or non-U.S. jurisdiction considers particular actions or relationships to constitute

practicing medicine is subject to change and to evolving interpretations by medical boards, state attorneys general, or the other relevant regulatory and legal authorities, each with broad discretion.

In addition, our BetterHelp segment and the industry as a whole has come under increasing scrutiny from government regulators in recent years. Accordingly, we must monitor our compliance with laws in every jurisdiction in which we operate, on an ongoing basis, and we cannot provide assurance that our activities and arrangements, if challenged, will be found to be in compliance with the laws. Additionally, it is possible that the laws and rules governing the practice of medicine, including virtual healthcare, in one or more jurisdictions may change in a manner deleterious to our business. In the past 12 months, Oregon and California have passed laws codifying and strengthening their existing corporate practice of medicine prohibitions in ways which may require us to adjust contractual arrangements with BetterHelp, THMG Association and the Uplift Association. We are aware of a number of states, including Washington, Maine, Connecticut, and North Carolina which are considering similar bills in 2026. If a successful legal challenge or an adverse change in the relevant laws were to occur, and we were unable to adapt our business model accordingly, our operations in the affected jurisdictions would be disrupted, which could have a material adverse effect on our business, financial condition, and results of operations.

In our U.S. telehealth business, we are dependent on our relationships with affiliated professional entities, which we do not own, to provide medical services, and our business would be adversely affected if those relationships were disrupted or if our arrangements with the THMG Association's or the Uplift Association's providers or our Clients are found to violate state laws prohibiting the corporate practice of medicine or fee splitting.

The laws of all states prohibit us from exercising control over the medical judgments or decisions of physicians and the laws of many states, including states in which many of our Clients are located, prohibit us from engaging in certain financial arrangements, such as splitting professional fees with physicians. These laws and their interpretations vary from state to state and are enforced by state courts and regulatory authorities, each with broad discretion, and are subject to change and to evolving interpretations by state boards of medicine and state attorneys general, among others. We enter into agreements with our affiliated professional associations, THMG and Uplift PC, which enter into contracts with their respective providers pursuant to which they render professional medical services. In addition, we enter into contracts with our Clients to arrange for the THMG Association to deliver professional services in exchange for fees. These contracts include management services agreements with our affiliated physician organizations pursuant to which the physician organizations reserve exclusive control and responsibility for all aspects of the practice of medicine and the delivery of medical services. Although we seek to comply with applicable state prohibitions on the corporate practice of medicine and fee splitting, changes in, or subsequent interpretations of, the corporate practice of medicine laws could circumscribe our business operations, and state officials who administer these laws or other third parties may successfully challenge our existing organization and contractual arrangements. If such a claim were successful, we could be subject to civil and criminal penalties, the repayment of reimbursements from third-party payors, and could be required to restructure or terminate the applicable contractual arrangements. A determination that these arrangements violate state statutes, or our inability to successfully restructure our relationships with the THMG Association's or the Uplift Association's providers to comply with these statutes, could hinder our ability to provide services to Clients or members located in certain states, which would have a materially adverse effect on our business, financial condition, and results of operations. State corporate practice of medicine doctrines also often impose penalties on physicians themselves for aiding the corporate practice of medicine, which could discourage physicians from participating in our network of providers. Additionally, a number of states have introduced or are planning to introduce legislation which would significantly increase the level of scrutiny that similarly structured organizations would face and could introduce additional penalties on management services organizations similar to ours.

We do not own THMG or Uplift PC, which are 100% physician owned independent entities, or the respective professional corporations with which each entity contracts. THMG, Uplift PC, and the other professional corporations are owned by physicians licensed in their respective states. While we expect that these relationships will continue, we cannot guarantee that they will. A material change in our relationship with THMG, Uplift PC, or among THMG or Uplift PC and the respective contracted professional corporations, whether resulting from a dispute among the entities, a change in government regulation, or the loss of these affiliations, could impair our ability to provide services to our members and could have a material adverse effect on our business, financial condition, and results of operations. In addition, the arrangements in which we have entered to comply with state corporate practice of medicine doctrines could subject us to additional scrutiny by federal and state regulatory bodies, including with respect to federal and state fraud and abuse laws. We believe that our operations comply with applicable state statutes and regulations regarding corporate practice of medicine, fee-splitting, and anti-kickback prohibitions. However, any scrutiny, investigation, or litigation with regard to our arrangement with the THMG Association the Uplift Association, or BetterHelp's providers could have a material

adverse effect on our business, financial condition and results of operations, particularly if we are unable to restructure our operations and arrangements to comply with applicable laws or we are required to restructure at a significant cost, or if we were subject to penalties or other adverse action. In the past 12 months, Oregon and California have passed laws codifying and strengthening their existing corporate practice of medicine prohibitions in ways which may require us to adjust contractual arrangements with THMG or Uplift. We are aware of a number of states, including Washington, Maine, Connecticut, and North Carolina which are considering similar bills in 2026.

In the U.S., a number of states have introduced healthcare transaction notification requirements which may impede our ability to grow through mergers, acquisitions, consolidations, and other transactions.

A number of states have introduced legislation or passed legislation which requires the acquirer of certain healthcare entities to provide notice or, in some states, seek approval of state regulators and attorneys general prior to the consummation of such transactions. These healthcare transaction laws have, in some cases, extended the length of time required to close an acquisition and may result in certain transactions being rejected or blocked by state authorities or attorneys general. We partially rely on mergers, acquisitions, and consolidation transactions to enable us to scale our business lines and acquire new business lines. If we were unable to consummate such transactions, or were delayed in closing and implementing such transactions, the result could negatively affect our financial performance and ability to grow and expand. In addition, the compliance with such healthcare transaction notification laws increases the cost and effort associated with each transaction and may bring scrutiny by governmental authorities on our internal operations and position in the healthcare services marketplace.

Evolving government regulations may require increased costs or adversely affect our business, financial condition, and results of operations.

In a regulatory climate that is uncertain, our operations have been, and may in the future be, subject to direct and indirect adoption, expansion, or reinterpretation of various laws and regulations. Compliance with these future laws and regulations may require us to change our practices at an undeterminable and possibly significant initial monetary and recurring expense. These additional monetary expenditures may increase future overhead, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, any regulatory changes that make it more difficult to license providers in multiple jurisdictions could adversely impact our ability to efficiently scale our business, which could have a material adverse effect on our business, financial condition, and results of operations.

We have identified what we believe are the areas of government regulation that, if changed, would likely be most costly to us. These areas include: rules governing the provision of telehealth, including, for example, rules that would require in person visits or consultations prior to the provision of telehealth; practice of medicine by physicians; licensure standards for doctors, physician assistants, advanced practice registered nurses, nurses, and mental health professionals; laws limiting the corporate practice of medicine; cybersecurity and privacy laws; laws and rules relating to the distinction between independent contractors and employees; and tax and other laws encouraging employer-sponsored health insurance and group benefits. 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 jurisdictions in which we operate, we believe we are in compliance with all applicable laws, but, due to the uncertain regulatory environment, certain jurisdictions may allege or determine that we are in violation of their laws. Moreover, the uncertain regulatory environment surrounding AI may result in states with competing regulations, and therefore we cannot ensure that we will be compliant with changing regulations or that new regulations will not negatively affect our business. In the event that we must remedy such violations, we may be required to modify our services and products in a manner that undermines our solutions' attractiveness to our Clients, members or providers, we may become subject to fines or other penalties or, if we determine that the requirements to operate in compliance in such jurisdictions are overly burdensome, we may elect to terminate our operations in such places. In each case, our revenue may decline, and our business, financial condition, and results of operations could be materially adversely affected.

Additionally, the introduction of new services may require us to comply with additional, yet undetermined, laws and regulations. Compliance may require obtaining appropriate 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 some of our products or services

from being offered to Clients and members, which could have a material adverse effect on our business, financial condition, and results of operations.

In the U.S., we conduct business in a heavily regulated industry and if we fail to comply with these laws and government regulations, we could incur penalties or be required to make significant changes to our operations, or experience adverse publicity, which could have a material adverse effect on our business, financial condition, and results of operations.

The U.S. healthcare industry is heavily regulated and closely scrutinized by federal, state, and local governments. Comprehensive statutes and regulations govern the manner in which we provide and bill for services and collect reimbursement from governmental programs and private payors, our contractual relationships with the THMG Association's and the Uplift Association's providers, vendors, and Clients, our marketing activities and other aspects of our operations. Of particular importance are:

- the federal physician self-referral law, commonly referred to as the Stark Law, that, subject to limited exceptions, prohibits physicians from referring Medicare or Medicaid patients to an entity for the provision of certain “designated health services” if the physician or a member of such physician’s immediate family has a direct or indirect financial relationship (including an ownership interest or a compensation arrangement) with the entity, and prohibit the entity from billing Medicare or Medicaid for such designated health services;
- the federal Anti-Kickback Statute that prohibits the knowing and willful offer, payment, solicitation, or receipt of any bribe, kickback, rebate, or other remuneration for referring an individual, in return for ordering, leasing, purchasing, or recommending or arranging for or to induce the referral of an individual or the ordering, purchasing, or leasing of items or services covered, in whole or in part, by any federal healthcare program, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act;
- the criminal healthcare fraud provisions of HIPAA and related rules that prohibit knowingly and willfully executing a scheme or artifice to defraud any healthcare benefit program or falsifying, concealing, or covering up a material fact or making any material false, fictitious, or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation;
- the federal False Claims Act that imposes civil and criminal liability on individuals or entities that knowingly submit false or fraudulent claims for payment to the government or knowingly making, or causing to be made, a false statement in order to have a false claim paid, including *qui tam* or whistleblower suits;
- reassignment of payment rules that prohibit certain types of billing and collection practices in connection with claims payable by the Medicare or Medicaid programs;
- similar state law provisions pertaining to anti-kickback, self-referral, and false claims issues, some of which may apply to items or services reimbursed by any payor, including patients and commercial insurers;
- state laws that prohibit general business corporations, such as us, from practicing medicine, controlling physicians’ medical decisions, or engaging in some practices such as splitting fees with physicians;
- laws that regulate debt collection practices as applied to our debt collection practices;
- a provision of the Social Security Act that imposes criminal penalties on healthcare providers who fail to disclose or refund known overpayments;
- federal and state laws that prohibit providers from billing and receiving payment from Medicare and Medicaid for services unless the services are medically necessary, adequately and accurately documented, and billed using codes that accurately reflect the type and level of services rendered; and

- federal and state laws and policies that require healthcare providers to maintain licensure, certification, or accreditation to enroll and participate in the Medicare and Medicaid programs, to report certain changes in their operations to the agencies that administer these programs.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. Achieving and sustaining compliance with these laws may prove costly. Failure to comply with these laws and other laws can result in civil and criminal penalties such as fines, damages, overpayment, recoupment, imprisonment, loss of enrollment status and exclusion from the Medicare and Medicaid programs. The risk of our being found in violation of these laws and regulations is increased by the fact that many of them have not been fully interpreted by the regulatory authorities or the courts, and their provisions are sometimes open to a variety of interpretations. Certain of these laws and regulations are subject to “facts and circumstances” review, and the considerations for such review may vary based on the reviewer or administration. Our failure to accurately anticipate the application of these laws and regulations to our business or any other failure to comply with regulatory requirements could create liability for us and negatively affect our business. Any action against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management’s attention from the operation of our business, and result in adverse publicity.

To enforce compliance with the federal laws, the U.S. Department of Justice, the OIG and other governmental agencies have increased their scrutiny of healthcare providers, which has led to a number of investigations, prosecutions, convictions, and settlements in the healthcare industry. Dealing with investigations can be time- and resource-consuming and can divert management’s attention from the business. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business. In addition, because of the potential for large monetary exposure under the federal False Claims Act, which provides for treble damages and minimum penalties per false claim or statement, healthcare providers often resolve allegations without admissions of liability for significant and material amounts to avoid the uncertainty of treble damages that may be awarded in litigation proceedings. Such settlements often contain additional compliance and reporting requirements as part of a consent decree, settlement agreement or corporate integrity agreement. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers’ compliance with the healthcare reimbursement rules and fraud, waste, and abuse laws.

The laws, regulations and standards governing the provision of healthcare services may change significantly in the future. Any new or changed healthcare laws, regulations, or standards or any review of our business by judicial, law enforcement, regulatory or accreditation authorities could adversely affect our business, financial condition, and results of operations.

Our use and disclosure of personally identifiable information, including health information, and other personal data 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 Client base, membership base, and revenue.

Numerous federal, state and foreign laws and regulations govern the collection, dissemination, use, privacy, confidentiality, security, availability, and integrity of PII, including PHI. In particular, in the U.S., HIPAA establishes a set of basic national privacy and security standards for the protection of PHI 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, which includes us. HIPAA requires healthcare providers like us to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical, and technical safeguards to protect such information. HIPAA also implemented the use of standard transaction code sets and standard identifiers that covered entities must use when submitting or receiving certain electronic healthcare transactions, including activities associated with the billing and collection of healthcare claims.

HIPAA imposes mandatory penalties for certain violations. However, a single breach incident can result in violations of multiple standards, which could result in significant fines. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts will be able to award damages, costs, and attorneys’ fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. Any such penalties or lawsuits could harm our business, financial condition, results of operations, and reputation.

In addition, HIPAA mandates that the Secretary of HHS conduct periodic compliance audits of HIPAA-covered entities or business associates for compliance with the HIPAA Privacy and Security Standards. It also tasks HHS with establishing a methodology whereby harmed individuals who were the victims of breaches of unsecured PHI may receive a percentage of the Civil Monetary Penalty fine paid by the violator.

HIPAA further requires that patients be notified of any unauthorized acquisition, access, use or disclosure of their unsecured PHI that has more than a low probability of compromising the privacy or security of such information, with certain exceptions related to unintentional or inadvertent use or disclosure by employees or authorized individuals. HIPAA specifies that such notifications must be made “without unreasonable delay and in no case later than 60 calendar days after discovery of the breach.” If a breach affects 500 patients or more, it must be reported to HHS without unreasonable delay, and HHS will post the name of the breaching entity on its public website. Breaches affecting 500 patients or more in the same state or jurisdiction must also be reported to the local media. If a breach involves fewer than 500 people, the covered entity must record it in a log and notify HHS at least annually.

Numerous other federal and state laws protect the confidentiality, privacy, availability, integrity, and security of PII, including PHI and other personal data. These laws in many cases are more restrictive than, and may not be preempted by, the HIPAA rules and may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and our Clients and potentially exposing us to additional expense, adverse publicity, and liability. In addition to fines and penalties imposed upon violators, some of these state laws also afford private rights of action to individuals who believe their personal information has been misused. There are many other state-based data privacy and security laws and regulations that may impact our business. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time, may require us to modify our data processing practices and policies, divert resources from other initiatives and projects, and could restrict the way services involving data are offered, all of which may adversely affect our business, financial condition, and results of operations. For example, U.S. states have begun to introduce more comprehensive data protection laws, which require us to modify our data processing practices and policies and incur compliance-related costs and expenses, and provide for civil penalties for violations, as well as a private right of action for data breaches, which may increase the likelihood and cost of data breach litigation. These changes may result in further uncertainty with respect to privacy, data protection, and information security issues and will require us to incur additional costs and expenses in an effort to comply.

New health information standards, whether implemented pursuant to HIPAA, congressional action, or otherwise, could have a significant effect on the manner in which we must handle healthcare-related data, and the cost of complying with standards could be significant. If we do not comply with existing or new laws and regulations related to PHI, we could be subject to criminal or civil sanctions and our reputation could be harmed.

Because of the extreme sensitivity of the PII we store and transmit, the security features of our technology platform are very important. If our security measures, some of which are managed by third parties, are breached or fail, unauthorized persons may be able to obtain access to sensitive Client and member data, including HIPAA-regulated PHI. As a result, our reputation could be severely damaged, adversely affecting Client and member confidence. Members may curtail their use of, or stop using, our services or our Client base could decrease, which would cause our business to suffer. In addition, we could face litigation, damages for contract breach, penalties, and regulatory actions for violation of HIPAA and other applicable laws or regulations and significant costs for remediation, notification to individuals, and for measures to prevent future occurrences. Any potential security breach could also result in increased costs associated with liability for stolen assets or information, repairing system damage that may have been caused by such breaches, incentives offered to Clients or other business partners in an effort to maintain our business relationships after a breach, and implementing measures to prevent future occurrences, including organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third-party experts and consultants. 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.

We outsource important aspects of the storage and transmission of Client and member information, and thus rely on third parties to manage functions that have material cybersecurity risks. We attempt to address these risks by requiring outsourcing subcontractors who handle Client and member information to sign business associate agreements and/or data processing agreements contractually requiring those subcontractors to adequately safeguard personal health data to the same extent that applies to us and in some cases by requiring such outsourcing subcontractors to undergo third-party security examinations. In addition, we periodically hire third-party security experts to assess and test our security posture.

However, we cannot assure you that these contractual measures and other safeguards will adequately protect us from the risks associated with the storage and transmission of Client and members' proprietary and protected health information.

We publish statements to our members and potential members that describe how we handle and protect personal information. 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. For example, we have been subject to litigation alleging improper disclosure and/or use of PII and PHI. We also engage in digital marketing which has come under additional scrutiny by the FTC and state regulators. If our practices are deemed to have been unlawful or deceptive or potentially a violation of FTC requirements, it could lead to significant liabilities and consequences including, without limitation, costs of responding to investigations, defending against litigation, including class action suits, settling claims, complying with regulatory or court orders, and managing public relations and Client and member concerns associated with such violations.

We also send short message service ("SMS") text messages to potential end users who are eligible to use our service through certain customers and partners. While we obtain consent from or on behalf of these individuals to send text messages, federal or state regulatory authorities or private litigants may claim that the notices and disclosures we provide, form of consents we obtain, or our SMS texting practices, are not adequate. These SMS texting campaigns are potential sources of risk for our company since they are governed by the Telephone Consumer Protection Act, which allows for private right of action and class action lawsuits and is enforced by the Federal Communications Commission. Numerous class action suits under federal and state laws have been filed against companies that conduct SMS texting programs, with many resulting in multi-million-dollar settlements for the plaintiffs. Any such future litigation against us could be costly and time-consuming to defend.

Further, there are numerous foreign laws, regulations and directives regarding privacy and the collection, storage, transmission, use, processing, disclosure, and protection of PII and other personal or customer data, the scope of which is continually evolving and subject to differing interpretations. We must comply with such laws, regulations, and directives and we may be subject to significant consequences, including penalties and fines, for our failure to comply. Failure to comply with the requirements of the GDPR and the applicable national data protection laws of the EU member states may result in fines of up to €10,000,000 or up to 2% of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties. To comply with the data protection rules imposed by the GDPR we may be required to put in place additional mechanisms to ensure compliance. In addition, privacy laws are developing quickly in other jurisdictions where we operate, which impose similar accountability, transparency, and security obligations. These additional privacy law obligations may be onerous and adversely affect our business, financial condition, results of operations, and prospects.

In addition, recent legal developments in Europe have created complexity and compliance uncertainty regarding certain transfers of information from the EU to the U.S. If one or more of the legal bases for transferring PII from Europe to the U.S. is invalidated, or if we are unable to transfer PII between and among countries and regions in which we operate, it could affect the manner in which we provide our services or could adversely affect our financial results. Furthermore, any failure, or perceived failure, by us to comply with or make effective modifications to our policies, or to comply with any federal, state, or international privacy, data-retention or data-protection-related laws, regulations, orders, or industry self-regulatory principles could result in proceedings or actions against us by governmental entities or others, a loss of customer confidence, damage to our brand and reputation, and a loss of Clients, any of which could have an adverse effect on our business.

Finally, federal, state, and foreign legislative or regulatory bodies may enact new or additional laws and regulations concerning privacy, data-retention, and data-protection issues, including laws or regulations mandating disclosure to domestic or international law enforcement bodies, which could adversely impact our business, our brand, or our reputation with customers. For example, some countries have adopted laws mandating that PII regarding customers in their country be maintained solely in their country. Having to maintain local data centers and redesign product, service, and business operations to limit PII processing to within individual countries could increase our operating costs significantly.

Changes to consumer privacy laws could adversely affect our ability to market our offerings effectively and may require us to change our business practices or expend significant amounts on compliance with such laws.

We rely on a variety of direct marketing techniques, including email marketing, online advertising and direct mailings. Any further restrictions in laws such as the CAN-SPAM Act, the Telephone Consumer Protection Act, the Do-

Not-Call-Implementation Act, applicable Federal Communications Commission telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the FTC Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Canada's Anti-Spam Law, U.S. state consumer health data laws, Electronic Communications Privacy Act and various U.S. state laws, or new federal or state laws and regulations on marketing and solicitation or international privacy, e-privacy, and anti-spam laws that govern these activities could adversely affect the continuing effectiveness of email, online advertising and direct mailing techniques and could force further changes in our marketing strategy. In particular, these laws may require us to make disclosures regarding our privacy and information sharing practices, safeguard and protect the privacy of such information, and in some cases, give customers clear choices about how their information can be used, any of which could limit our ability to leverage existing and future databases of information or require us to develop alternative marketing strategies, any of which could have a material adverse effect on our financial condition, results of operations, and cash flows.

We must comply with U.S. federal, state, and foreign requirements regarding notice and consent to obtain, use, share, transmit and store certain personal information. Furthermore, we may face conflicting obligations arising from the potential concurrent application of laws of multiple jurisdictions. In the event that we are not able to reconcile such obligations, we may be required to change business practices or face liability or sanction.

Our medical device operations are subject to FDA and other similar foreign regulatory requirements.

We are regulated by the FDA and other foreign regulatory agencies as a medical device manufacturer, and the medical devices that we distribute are subject to extensive regulation. As we continue to expand the sales of our medical devices internationally, we will also become subject to similar regulations by other foreign governments. Government regulations specific to medical devices are wide ranging and govern, among other things:

- product design, development, and manufacture;
- laboratory, preclinical and clinical testing, labeling, packaging, storage, and distribution;
- premarketing clearance or approval;
- record keeping;
- product marketing, promotion and advertising, sales and distribution; and
- post-marketing surveillance, including reporting of deaths, serious injuries, and product malfunctions, recalls, corrections, and removals.

Before a new medical device or a new intended use for a device in commercial distribution can be marketed in the U.S., a company must first submit and receive either 510(k) clearance pursuant to section 510(k) of the Food, Drug, and Cosmetic Act or approval of a premarket approval ("PMA") application from the FDA, unless an exemption applies. In the 510(k) clearance process, the FDA must determine that a proposed device is "substantially equivalent" to a device legally on the market, known as a "predicate" device, in order to clear the proposed device for marketing. To be substantially equivalent, the proposed device must have the same intended use as the predicate device, and either have the same technological characteristics as the predicate device or have different technological characteristics and not raise different questions of safety or effectiveness than the predicate device. Clinical data is sometimes required to support substantial equivalence. Failure to demonstrate substantial equivalence to a predicate device to the FDA's satisfaction may require the submission and approval by the FDA of a PMA application. The FDA's 510(k) clearance process usually takes approximately six months on average but may last longer. The process for obtaining a PMA approval takes from one to three years, or even longer, from the time the PMA is submitted to the FDA until an approval is obtained. Any delay or failure to obtain necessary regulatory approvals or clearances could have a material adverse effect on our business, financial condition, and results of operations. Material modifications to the intended use or technological characteristics of our devices may also require new 510(k) clearances or premarket approvals prior to implementing the modifications, or require us to recall or cease marketing the modified devices until these clearances or approvals are obtained.

Although some jurisdictions outside of the U.S. may accept FDA approval as a basis for regulatory approval, many have their own requirements in order for a device to be marketed. In order to market our products in those countries, we would need to submit the appropriate applications and meet the requirements set by those regulatory agencies. As is the case in the U.S., the failure to comply with regulatory requirements in foreign jurisdictions could subject us to possible

legal or regulatory action, and any such failure or delay in obtaining necessary licenses or approvals could restrict or delay our ability to sell our devices and solutions in those jurisdictions. Depending on the circumstances, failure to meet applicable regulatory requirements can result in criminal prosecution, fines or other penalties, injunctions, recall or seizure of products, total or partial suspension of production, denial or withdrawal of product approvals, or refusal to allow a us to enter into supply contracts, including government contracts.

In addition, we are required to timely submit various reports with the FDA, including reports if medical devices that we distribute as part of our solutions may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur. If these reports are not filed in a timely manner, regulators may impose sanctions and we may be subject to product liability or regulatory enforcement actions, all of which could harm our business, financial condition, and results of operations. Any corrective actions can be costly, time-consuming, and divert resources from other portions of our business. Furthermore, the submission of these reports could be used by competitors against us, which could harm our reputation.

The definition of “device” in the Federal Food, Drug, and Cosmetic Act excludes certain software functions. Our software offerings may include functions that fall under FDA’s jurisdictional definition of a medical device, while there may be software offerings that do not require FDA clearance or approval even when utilizing data coming from an FDA regulated medical device. Our determination of the appropriate classification of our digital offerings may lead to regulatory inquiry and the expenditure of time and resources to meet FDA feedback as to the appropriate category for particular digital offerings.

The FDA and the FTC also regulate the advertising and promotion of our solutions and services to ensure that the claims we make are consistent with our regulatory clearances and approvals, that there is adequate and reasonable data to substantiate the claims and that our promotional labeling and advertising is neither false nor misleading. If the FDA or FTC determines that any of our advertising or promotional claims are misleading, not substantiated or not permissible, we may be subject to enforcement actions, including warning letters, and we may be required to revise our promotional claims and make other corrections or restitutions.

If we or our third-party suppliers fail to comply with the FDA’s Quality Systems Regulation or similar foreign regulations, our ability to distribute medical devices that are provided to members as part of our solutions could be impaired.

We and certain of our third-party suppliers are required to comply with the FDA’s Quality System Regulation (“QSR”) and similar foreign regulations, which cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, sterilization, storage, and shipping of medical devices that we distribute. The FDA and foreign regulators audit compliance with the QSR and similar foreign regulations through periodic announced and unannounced inspections of manufacturing and other facilities. The FDA or foreign regulators may impose inspections or audits at any time. If we or our suppliers have significant non-compliance issues or if any corrective action plan that we or our suppliers propose in response to observed deficiencies is not sufficient, the FDA could take enforcement action against us and our third-party suppliers. Similarly, foreign regulators could take action to suspend or withdraw any certifications or licenses required to do business in such jurisdiction. Any of the foregoing actions could have a material adverse effect on our business, financial condition, and results of operations.

Our failure to comply with the anti-corruption, trade compliance, and economic sanctions laws and regulations of the U.S. and applicable international jurisdictions could materially adversely affect our reputation, business, financial condition, and results of operations.

Our international operations increase our exposure to, and require us to devote significant management resources to implement controls and systems to comply with, the privacy and data protection laws of non-U.S. jurisdictions and the anti-bribery, anti-corruption and anti-money laundering laws of the U.S. (including the FCPA) and the United Kingdom (including the U.K. Bribery Act) and similar laws in other jurisdictions. These laws and regulations apply to companies, individual directors, officers, employees, and agents, and may restrict our operations, trade practices, investment decisions, and partnering activities. Where they apply, the FCPA and the U.K. Bribery Act prohibit us and our officers, directors, employees, and business partners acting on our behalf, including joint venture partners and agents, from corruptly offering, promising, authorizing, or providing anything of value to public officials for the purposes of influencing official decisions or obtaining or retaining business or otherwise obtaining favorable treatment. The U.K. Bribery Act also prohibits non-governmental “commercial” bribery and accepting bribes. As part of our business, we may deal with governments and state-owned business enterprises, the employees and representatives of which may be considered public officials for

purposes of the FCPA and the U.K. Bribery Act. Implementing our compliance policies, internal controls, and other systems upon our expansion into new countries and geographies may require the investment of considerable management time and management, financial, and other resources over a number of years before any significant revenues or profits are generated. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or employees, restrictions or outright prohibitions on the conduct of our business, and significant brand and reputational harm. We must regularly reassess the size, capability, and location of our global infrastructure and make appropriate changes and must have effective change management processes and internal controls in place to address changes in our business and operations. Our success depends, in part, on our ability to anticipate these risks and manage these difficulties, and the failure to do so could have a material adverse effect on our business, operating results, financial position, brand, reputation, and/or long-term growth.

We also are subject to the jurisdiction of various governments and regulatory agencies around the world, which may bring our personnel and agents into contact with public officials responsible for issuing or renewing permits, licenses, or approvals or for enforcing other governmental regulations. In addition, some of the international locations in which we operate lack a developed legal system and have elevated levels of corruption. Our business also must be conducted in compliance with applicable export controls and trade and economic sanctions laws and regulations, including those of the U.S. government, the governments of other countries in which we operate or conduct business and various multilateral organizations. Such laws and regulations include, without limitation, those administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control, the U.S. Department of State, the U.S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. Our provision of services to persons located outside the U.S. may be subject to certain regulatory prohibitions, restrictions, or other requirements, including certain licensing or reporting requirements. Our provision of services outside of the U.S. exposes us to the risk of violating, or being accused of violating, anti-corruption, exports controls, and trade compliance and economic sanctions laws and regulations. Our failure to successfully comply with these laws and regulations may expose us to reputational harm as well as significant sanctions, including criminal fines, imprisonment, civil penalties, disgorgement of profits, injunctions, and suspension or debarment from government contracts, as well as other remedial measures. Investigations of alleged violations can be expensive and disruptive. Though we have implemented formal training and monitoring programs, we cannot assure compliance by our employees or representatives for which we may be held responsible, and any such violation could materially adversely affect our reputation, business, financial condition, and results of operations.

Risks Related to Litigation and Liability

Any current or future litigation or other legal or regulatory proceedings could be costly and time consuming, and any losses or liability may not be covered by insurance.

We have been and may become subject, from time to time, to legal and regulatory proceedings, including claims that arise in the ordinary course of business, such as claims brought by our Clients in connection with commercial disputes or employment claims made by our current or former associates. For example, see Note 18. "Commitments and Contingencies" to the consolidated financial statements for additional information regarding certain proceedings that have been initiated against us. Regardless of outcome, such current or any future proceedings may result in substantial costs and may divert management's attention and resources or decrease market acceptance of our solutions, which may substantially harm our business, financial condition, and results of operations. We attempt to limit our liability to Clients by contract; however, the limitations of liability set forth in the contracts may not be enforceable or may not otherwise protect us from liability for damages. Additionally, we may be subject to claims that are not explicitly covered by contract. Insurance may not cover claims against us, may not provide sufficient payments to cover all of the costs to resolve one or more such claims, and may not continue to be available on terms acceptable to us. In addition, the insurer might disclaim coverage as to any future claim. A successful claim not fully covered by our insurance could have a material adverse impact on our liquidity, financial condition, and results of operations. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our earnings and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the market price of our stock. In addition, any insurance coverage would not address the reputational damage that could result from any legal or regulatory proceedings or claims.

We may become subject to medical liability claims, which could cause us to incur significant expenses and may require us to pay significant damages if not covered by insurance.

Our business entails the risk of medical liability claims against the THMG Association's providers, the Uplift Association's providers, and us. Although we, THMG, and Uplift PC carry insurance covering medical malpractice claims in amounts that we believe are appropriate in light of the risks attendant to our business, successful medical liability claims

could result in substantial damage awards that exceed the limits of our, THMG's, and Uplift PC's insurance coverage. THMG and Uplift PC carry professional liability insurance for themselves and each of their healthcare professionals (the THMG Association's providers and the Uplift Association's providers, respectively), and we separately carry a general insurance policy, which covers medical malpractice claims. In addition, professional liability insurance is expensive and insurance premiums may increase significantly in the future, particularly as we expand our services. As a result, adequate professional liability insurance may not be available to the THMG Association's or the Uplift Association's providers or to us in the future at acceptable costs or at all. Moreover, any medical liability claim against the Uplift Association for the period prior to our acquisition of Uplift in 2025 will be governed by Uplift PC's prior insurance policy which terms may vary unfavorably from the terms of our insurance policy.

Any claims made against us 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 and the THMG Association's and the Uplift Association's providers from our operations, which could have a material adverse effect on our business, financial condition, and results of operations. In addition, any claims may adversely affect our reputation.

Risks Related to Intellectual Property

Any failure to protect our intellectual property rights could impair our ability to protect our technology and our brands.

Our success depends in part on our ability to enforce our intellectual property and other proprietary rights. We rely upon a combination of patent, trademark, copyright, and trade secret laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring our employees, consultants, and certain of our contractors to execute confidentiality and assignment of inventions agreements. These laws, procedures, and restrictions provide only limited protection and any of our intellectual property rights may be challenged, invalidated, circumvented, infringed, or misappropriated. To the extent that our intellectual property and other proprietary rights are not adequately protected, third parties may gain access to our proprietary information, develop and market solutions similar to ours, or use trademarks similar to ours, each of which could materially harm our business. Unauthorized parties may also attempt to copy or obtain and use our technology to develop applications with the same functionality as our solutions. Policing unauthorized use of our technology and intellectual property rights is difficult and may not be effective. In addition, the 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 U.S.

In order to protect our intellectual property rights, we may be required to spend significant resources to establish, 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, financial condition, 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. An adverse determination of any litigation proceedings could put our patents at risk of being invalidated or interpreted narrowly and could put our related pending patent applications at risk of not issuing. The failure to secure and adequately protect our intellectual property and other proprietary rights could have a material adverse effect on our business, financial condition, and results of operations.

We could incur substantial costs as a result of any claim of infringement of another party's intellectual property rights.

In recent years, there has been significant litigation in the U.S. involving patents and other intellectual property rights, including litigation brought against us. Companies in the internet and technology industries are increasingly bringing and becoming subject to suits alleging infringement of proprietary rights, particularly patent rights, and our competitors and other third parties may hold patents or have pending patent applications, which could be related to our business. These risks have been amplified by the increase in third parties whose sole primary business is to assert such claims. Regardless of the merits of any other intellectual property litigation, we have been and may in the future be required to expend significant management time and financial resources on the defense of such claims, and any adverse

outcome of any such claim could have a material adverse effect on our business, financial condition, and results of operations. We expect that we may in the future receive additional notices that claim we or our Clients using our solutions have misappropriated or misused other parties' intellectual property rights, particularly as the number of competitors in our market grows and the functionality of applications amongst competitors overlaps. Our existing or any future litigation, whether or not successful, could be extremely costly to defend, divert our management's time, attention, and resources, damage our reputation and brands, and substantially harm our business.

In addition, in most instances, we have agreed to indemnify our Clients against certain third-party claims, which may include claims that our solutions infringe the intellectual property rights of such third parties. Our business could be adversely affected by any significant disputes between us and our Clients as to the applicability or scope of our indemnification obligations to them. The results of any intellectual property litigation to which we may become a party, or for which we are required to provide indemnification, may require us to do one or more of the following:

- cease offering or using technologies that incorporate the challenged intellectual property;
- make substantial payments for legal fees, settlement payments, or other costs or damages;
- obtain a license, which may not be available on reasonable terms, to sell or use the relevant technology; or
- redesign technology to avoid infringement.

If we are required to make substantial payments or undertake any of the other actions noted above as a result of any intellectual property infringement claims against us or any obligation to indemnify our Clients for such claims, such payments or costs could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Taxation

Unanticipated changes in our effective tax rate and additional tax liabilities may impact our financial conditions or results of operations.

We are subject to income tax in the U.S. and various jurisdictions outside of the U.S. Our effective tax rate could fluctuate due to changes in the mix of earnings and losses in countries with differing statutory tax rates. Our tax expense could also be impacted by changes in non-deductible expenses, fluctuations in our stock price related to our stock-based compensation, changes in the valuation of deferred tax assets and liabilities and our ability to utilize them, the applicability of withholding taxes and effects from acquisitions.

We are open to tax examinations in multiple jurisdictions. While we regularly evaluate new information that may change our judgment resulting in recognition, derecognition, or change in measurement of a tax position taken, there can be no assurance that the final determination of any examinations will not have an adverse effect on our financial condition or results of operations.

Our tax provision could also be impacted by changes in accounting principles or changes in U.S. federal and state or international tax laws applicable to corporate multinationals. Furthermore, changes in taxing jurisdictions' administrative interpretations, decisions, policies and positions could also impact our tax provision.

We may also be subject to additional liabilities for non-income based taxes due to changes in U.S. federal, state, or international tax laws, changes in taxing jurisdictions' administrative interpretations, decisions, policies, and positions, results of tax examinations, settlements or judicial decisions, changes in accounting principles, changes to our business operations, including acquisitions, as well as the evaluation of new information that results in a change to a tax position taken in a prior period.

As we continue to expand internationally, our customers are subject to potential additional indirect tax costs and uncertainties. The tax rules for non-U.S. jurisdiction for imposing taxes like a Value Added Tax ("VAT") or Goods and Services Tax ("GST") on virtual services offered by us are often ambiguous and are frequently inconsistent in each taxing jurisdiction. These laws, rules and regulations also are constantly evolving. The imposition of any additional such taxes or an adverse change in the application of such tax rules could have a material adverse effect on our business, financial condition, and results of operations.

If the THMG Association's or the Uplift Association's providers or experts are characterized as employees, they would be subject to employment and withholding liabilities.

We structure the relationships with many of the THMG Association's and the Uplift Association's providers and experts in a manner that we believe results in an independent contractor relationship, not an employee relationship. An independent contractor is generally distinguished from an employee by his or her degree of autonomy and independence in providing services. A high degree of autonomy and independence is generally indicative of a contractor relationship, while a high degree of control is generally indicative of an employment relationship. Although we believe that these providers and experts are properly characterized as independent contractors, tax or other regulatory authorities may in the future challenge our characterization of these relationships. If such regulatory authorities or state, federal, or foreign courts were to determine that these providers or experts are employees, and not independent contractors, we would be required to withhold income taxes, to withhold and pay social security, Medicare, and similar taxes and to pay unemployment and other related payroll taxes. We would also be liable for unpaid past taxes and subject to penalties. As a result, any determination that these providers or experts are employees could have a material adverse effect on our business, financial condition, and results of operations.

Risks Related to Strategic Initiatives

We may acquire other companies or technologies, which could divert our management's attention, result in dilution to our stockholders, and otherwise disrupt our operations and we may have difficulty integrating any such acquisitions successfully or realizing the anticipated synergies or other benefits therefrom, any of which could have a material adverse effect on our business, financial condition and results of operations.

We have in the past and may in the future seek to acquire or invest in businesses, applications, and services or technologies that we believe could complement or expand our solutions, enhance our technical capabilities, or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various expenses in identifying, investigating, and pursuing suitable acquisitions, whether or not they are consummated.

In addition, in the past we have encountered some difficulties in integrating acquired businesses and failure to achieve all of the anticipated benefits from such transactions. If we acquire additional businesses, we may not be able to integrate the acquired personnel, operations, and technologies successfully, or the integration process may take longer than expected or become more costly than expected. Similarly, we may not be able to effectively manage the combined business following the acquisition. We also may not achieve the anticipated cost savings, synergies or other benefits from the acquired business due to a number of factors, including, but not limited to:

- inability to integrate or benefit from acquired technologies or services in a profitable manner;
- unanticipated costs or liabilities associated with the acquisition;
- difficulty integrating the accounting and operational systems, operations, and personnel of the acquired business;
- difficulties and additional expenses associated with supporting legacy products and hosting infrastructure of the acquired business;
- difficulty converting the Clients of the acquired business onto our platform and contract terms, including disparities in the revenue, licensing, support, or professional services model of the acquired company;
- diversion of management's attention from other business concerns;
- adverse effects to our existing business relationships with business partners and Clients as a result of the acquisition;
- the potential loss of key employees;
- use of resources that are needed in other parts of our business; and

- use of substantial portions of our available cash to consummate the acquisition.

In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets, which can result in the risk of impairment over time. For example, see Note 7. “Goodwill” to the consolidated financial statements for information regarding goodwill impairment charges. In particular, if the carrying value of the Integrated Care reporting unit exceeds its fair value as of the date of any future business combinations, the future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations. In addition, if an acquired business fails to meet our expectations, our business, financial condition, and results of operations may suffer.

Risks Related to Ownership of Our Common Stock

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition, or other change in control of our company that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors (the “Board”) is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our Board. Among other things, these provisions include those establishing:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death, or removal of a director, which prevents stockholders from filling vacancies on our Board;
- the ability of our Board to authorize the issuance of shares of preferred stock and to determine the 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 ability of our Board to alter our amended and restated bylaws without obtaining stockholder approval;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board or to propose matters to be acted upon at a stockholders’ meeting, which 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.

Moreover, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the General Corporation Law of the State of Delaware (the “DGCL”), which prohibits a person who owns in excess of 15% of our outstanding voting stock from merging or combining with us for a period of three years after the date of the transaction in which the person acquired in excess of 15% of our outstanding voting stock, unless the merger or combination is approved in a prescribed manner.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the 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, or employees.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty or other wrongdoing by any of our directors, officers, employees, or agents to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the DGCL or our amended and restated certificate of incorporation or amended and restated bylaws, (4) any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or amended and restated bylaws, or (5) any action asserting a claim governed by the internal affairs doctrine. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could have a material adverse effect on our business, financial condition, or results of operations.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation will be your sole source of gain, if any.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. Our Credit Agreement prohibits us from declaring or paying any dividend unless certain conditions are satisfied, and any future debt agreements may also preclude us from paying dividends. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future. In addition, the trading price of our common stock has been, and could continue to be, subject to wide fluctuations. The price at which our stock trades depends on a number of factors, many of which are beyond our control. We cannot make any predictions or projections as to what the prevailing market price for our common stock will be at any time, including whether you will achieve any capital appreciation.

We have been, and in the future could be, subject to securities class action litigation, shareholder derivative complaints and related matters.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. We have been, and may in the future become, subject to such securities class action litigation, shareholder derivative complaints and related matters, and any such proceedings have and could result in substantial costs and a diversion of management's attention and resources, which could have a material adverse effect on our business, financial condition, and results of operations.

If securities or industry analysts do not publish research or reports about our business, if they adversely change their recommendations regarding our shares, or if our results of operations do not meet their expectations, the share price and trading volume of our common stock could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause the share price or trading volume of our common stock to decline. Moreover, if one or more of the analysts who cover us express views regarding us that may be perceived as negative or less favorable than previous views, downgrade our stock, or if our results of operations do not meet their expectations, the share price of our common stock could decline.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

We recognize the increasing significance that cybersecurity has to our operations and the success of our business, as well as the need to continually assess cybersecurity risk and evolve our response in the face of a rapidly and ever-changing environment. We process and maintain sensitive data on our Clients and members, including in the form of PHI and PII. In addition, we maintain intellectual property for our solutions and personal information of our employees. Because of the data we manage, we are subject to various cybersecurity threats that, if they materialized, could adversely affect our business, employees, Clients, and members through impacts to the confidentiality, integrity, and/or availability of our systems. We maintain a cybersecurity program and controls as part of our enterprise risk management program in an effort to reduce the risk of exposure of our information and systems.

To assess, identify, and manage the risks of cybersecurity threats to our information system, we maintain a cybersecurity program, including policies and controls, which are regularly reviewed through internal and external assessments. We leverage several industry frameworks for adopting and assessing controls, such as HIPAA, the National Institute of Standards and Technology Cybersecurity Framework, and HITRUST. We have an active HITRUST certification, Service Organization Control (“SOC”) 2 Type II security compliance, and, within our U.S. Integrated Care segment, we have ISO 9001 certification for key processes, as well as ISO 13485 and ISO 27001 certifications for our proprietary devices, in each case that are issued by external entities.

We have controls in place intended to assess our cybersecurity posture and prevent successful access to our critical systems, including, but not limited to: vulnerability scanning on systems and applications; endpoint detection capabilities to identify malware and other indicators of threat activity; multifactor authentication; and blocking of malicious e-mail. In addition, we also provide annual cybersecurity awareness training for our employees. Further, we engage with an external security firm to perform regular penetration testing. We subject our critical third-party service providers to risk assessment prior to engagement, and periodically thereafter, to identify material risks. Additionally, we have a process to engage with these third parties to understand potential impacts of, and remediation efforts associated with, critical vulnerabilities.

To stay abreast of the evolving threat landscape, we actively engage with key vendors, industry information sharing, and intelligence and law enforcement communities. These engagements serve as inputs into understanding techniques and tactics being used by threat actors and in expanding the countermeasures we use to protect Teladoc Health.

In the event of a potential cybersecurity incident, or a series of related cybersecurity incidents, we have a documented security incident response plan that provides a consistent approach to identifying and classifying the incident as well as a defined process to assess the materiality and escalate to management, as required.

Despite the efforts outlined above, we cannot ensure that we will not be subject to any cybersecurity incidents or threats. See “Risk Factors Risks Related to Information Technology” for additional information. To date, management has not determined that any cybersecurity incidents the Company has experienced would have resulted in, or are reasonably likely to result in, a material impact to its financial condition, results of operations, or business strategy.

Governance

Cybersecurity risk oversight continues to remain a top priority for our Board. The audit committee of our Board maintains primary responsibility related to overseeing our cybersecurity risk as part of its program of regular risk management oversight. This includes, but is not limited to, the overall maturity and strategy of our cybersecurity program.

We have a rigorous and comprehensive cybersecurity program managed by a dedicated team of subject matter experts and is led by our Chief Information Security Officer (“CISO”), who has extensive cybersecurity experience. We have implemented telehealth industry standard processes, policies, and tools, including regularly scheduled vulnerability scanning and third-party penetration testing to reduce the risk of vulnerabilities in our system.

Our CISO regularly engages with other members of our executive management team to discuss cyber risk, including the Chief Executive Officer, Chief Technology Officer, Chief Legal Officer, and Chief Compliance Officer, among others. Our CISO also typically reports to the audit committee of our Board at each regularly scheduled committee meeting. Our executive management team has the appropriate expertise, background, and depth of experience to manage risk arising from cybersecurity threats. Executive management has also participated in cybersecurity tabletop exercises to test our cyber response playbooks.

Item 2. Properties

We believe that our company's offices and other facilities are, in general, in good operating condition and adequate for our current operations.

We lease office space in New York City for our corporate headquarters and certain of our operations under a lease for which the term expires in December 2035. We lease additional office space in the U.S. and other foreign locations. We have reduced our footprint over the past year reflecting post-pandemic remote work changes. We believe that our facilities are adequate to meet our needs for the immediate future, and that, should it be needed, suitable additional space will be available to accommodate any such expansion of our operations.

Item 3. Legal Proceedings

We are subject to legal proceedings, claims and litigation arising in the ordinary course of our business. Descriptions of certain legal proceedings to which we are a party are contained in the Legal Matters section of Note 18. "Commitments and Contingencies" to the consolidated financial statements included in Part II, of this Annual Report on Form 10-K and are incorporated by reference herein.

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 Common Stock trades on the New York Stock Exchange ("NYSE") under the symbol "TDOC".

Holders

On February 17, 2026, there were 79 shareholders of record of our Common Stock. Because many of our shares of 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.

Dividends

We have never declared or paid any cash dividends on our Common Stock, and we do not anticipate paying cash dividends in the foreseeable future.

Unregistered Sales of Equity Securities and Use of Proceeds

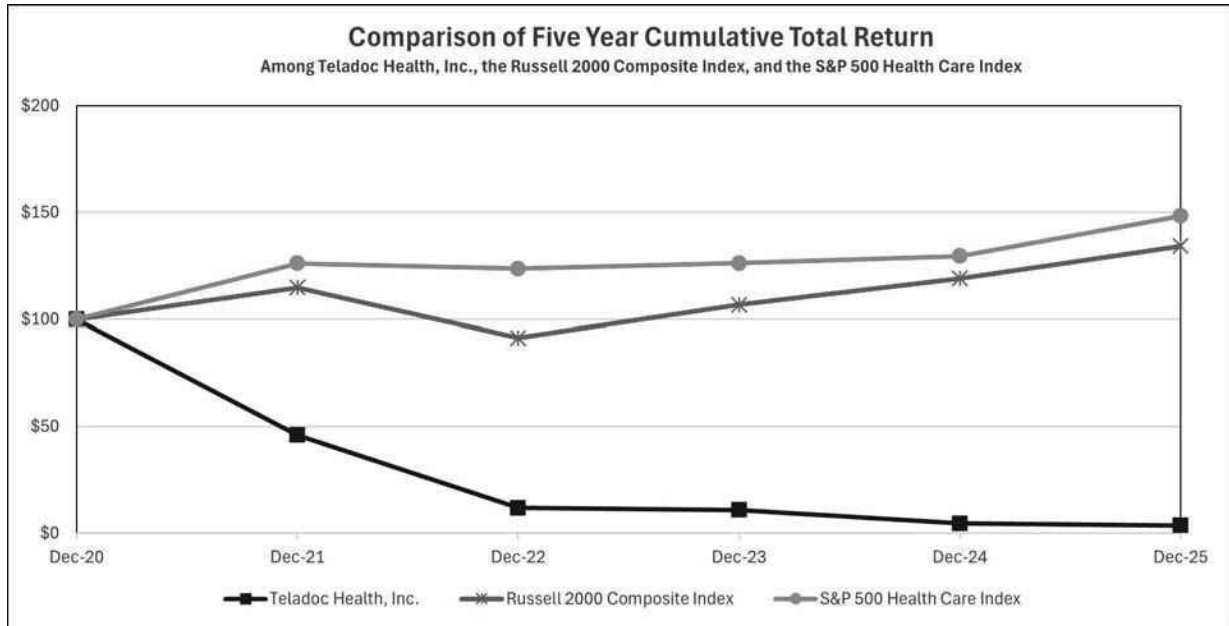
There were no unregistered sales of equity securities which have not been previously disclosed in a quarterly report on Form 10-Q or a current report on Form 8-K during the period covered by this report.

Purchase of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this report.

Five-Year Stock Performance Graph

The following graph compares the cumulative total stockholder return on our common stock with the comparable cumulative total return of the Russell 2000 Composite Index and the S&P 500 Health Care Index for each of the five fiscal years ended December 31, 2025, assuming an investment of \$100 at the beginning of such period and the reinvestment of any dividends in Teladoc Health Common Stock and in each index. The indexes are included for comparative purposes only. The stock price performance on the following graph is not necessarily indicative of future stock price performance. This graph is not “soliciting material,” is not to be deemed filed with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.



Item 6. [Reserved]

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Discussion and analysis of our fiscal year 2023, as well as the year-over-year comparison of our 2024 financial performance to 2023, have been omitted from this section and may be found under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 that was filed with the SEC on February 27, 2025.

Overview

Teladoc, Inc. was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. Unless the context otherwise requires, Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” the “Company,” or “we.” In June 2025, the Company relocated its principal executive office from Purchase, New York to New York, New York. Teladoc Health is the global leader in virtual care.

More than 20 years ago, we were founded on a simple, yet revolutionary idea: that everyone should have access to the best healthcare, anywhere in the world on their terms.

Our mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience. Today, we are transforming virtual care into a catalyst for how better health happens around the world. We connect patients, care providers, healthcare platforms and partners to provide more complete and personalized care. Through our unique technology, breadth of services and depth of clinical expertise, we are delivering and orchestrating care in order to improve health outcomes and reduce healthcare costs around the world.

The impact that the imposition of tariffs and changes to global trade policies will have on our consolidated results of operations is uncertain. We expect tariffs on goods imported into the U.S. from Canada, Mexico, and China, and other countries upon which tariffs may be imposed, to continue to be met with retaliatory tariffs from those countries which would impact our consolidated results of operations as we import components for assembling welcome kits, refill kits, and replacement components for our chronic care management solutions and virtual care devices manufactured for sale or lease as part of our hosted virtual care platform solution. The extent and duration of tariffs and the resulting impact on macroeconomic conditions and on our business are uncertain and may depend on various factors, including negotiations between the U.S. and affected countries, retaliation imposed by other countries, tariff exemptions, negative sentiment toward U.S. companies and products, and availability of lower cost inputs that may be sourced domestically or in other countries with no or lower tariffs. We will continue to evaluate the nature and extent of the impact to our business and consolidated results of operations. For further information, see “Risk Factors—We depend on a limited number of third-party suppliers for certain components of our medical devices, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials, could harm our business,” and “—Our international operations pose certain political, legal and compliance, operational, regulatory, economic, and other risks to our business that may be different from or more significant than risks associated with our domestic operations, and our exposure to these risks is expected to increase” included elsewhere in this Annual Report on Form 10-K.

Key Factors Affecting Our Performance

We believe that our future performance will depend on many factors, including the following:

As it relates to the Integrated Care segment:

Number of U.S. Integrated Care Members. U.S. Integrated Care members represent the number of unique individuals who have paid access and visit fee only access to our suite of integrated care services in the U.S. at the end of the applicable period. Individuals who have paid access fees offer a greater margin than those who have visit fee only access and, over time, the mix of those who have paid access fees as compared to those who have visit fee only access has declined. Our revenue growth rate and long-term profitability are affected by our ability to increase cross selling capability among our existing members over time because we derive a substantial portion of our revenue from access and other fees via Client contracts that provide members access to the THMG Association professional provider network in exchange for a contractual based periodic fee. Therefore, we believe that our ability to add new members and retain existing members and to increase utilization and penetration further into existing and new health plan and employer Clients is a key indicator of our increasing market adoption, the growth of our business, and our future revenue potential. We further believe that increasing our membership is an integral objective that will provide us with the ability to continually innovate our services

and support initiatives that will enhance members' experiences. However, certain health plans that have historically promoted our services to our employer Clients have developed, and may in the future continue to develop, solutions that replicate our services or offer competitive services at discounted prices to our current or prospective Clients, which could result in a loss of members. For further information, see "Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed," and "—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations" included elsewhere in this Annual Report on Form 10-K. U.S. Integrated Care members increased by 8.0 million, or 9%, to 101.8 million at December 31, 2025, compared to the same period in 2024.

Chronic Care Program Enrollment. Chronic care program enrollment represents the total number of enrollees across our suite of chronic care programs at the end of a given period. Our chronic care program enrollments are one of the key components of our virtual care platform that we believe positions us to drive greater engagement with our platforms and increase revenue. Chronic care program enrollment decreased by 1% to 1.19 million at December 31, 2025, compared to 1.20 million at December 31, 2024.

Average Monthly Revenue Per U.S. Integrated Care Member. Average monthly revenue per U.S. Integrated Care member measures the average monthly amount of global revenue that we generate from a U.S. Integrated Care member for a particular period. It is calculated by dividing the total revenue generated from the Integrated Care segment by the average number of U.S. Integrated Care members during the applicable period. Approximately 20% of total Integrated Care revenues relates to international and hospital and health systems for which membership is not considered as a management metric. We believe that our ability to increase the revenue generated from each member over time is also a key indicator of our increasing market adoption and future revenue growth potential. Average monthly revenue per U.S. Integrated Care member decreased to \$1.29 in the year ended December 31, 2025, from \$1.37 in the same period in 2024, primarily due to the impact of new members onboarded over the course of the year. The change in average monthly revenue versus the indicated prior period is reflective of the growth and timing of onboarding new members and the mix of their fees.

As it relates to the BetterHelp segment:

BetterHelp Paying Users. BetterHelp paying users represent the average number of global monthly paying users of our BetterHelp therapy services during the applicable period, including both those who pay directly out-of-pocket and those who utilize their insurance coverage. We believe that our ability to add new paying users and retain existing users is a key indicator of the market adoption of BetterHelp, the growth of this segment, and future revenue potential. Effectively reaching potential paying users through various advertising channels remains critical to our success. BetterHelp paying users decreased by 5% to 0.39 million for the year ended December 31, 2025, compared to 0.41 million for the year ended December 31, 2024.

As it relates to the Company:

Seasonality. Our business has historically been subject to seasonality. In our Integrated Care segment, a concentration of our new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, we historically have experienced our highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end-of-year holiday season, our BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic, we have typically experienced fewer new member additions and strong operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year, we typically experience weak operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

See "Risk Factors—Risks Related to Our Business and Industry—Our quarterly results may fluctuate significantly, which could adversely impact the value of our common stock." included elsewhere in this Annual Report on Form 10-K.

Critical Accounting Estimates and Policies

Revenue

We follow the revenue accounting requirements of Accounting Standards Codification (“ASC”) Topic 606, “Revenues from Contracts with Customers,” which establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The core principle of ASC Topic 606 is to recognize revenue to depict the transfer of promised goods or services to Clients as well as individual members, in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services. This principle is achieved through applying the following five-step approach:

- Identification of the contract, or contracts, with a Client.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, we satisfy a performance obligation.

Integrated Care Segment

As it relates to the Integrated Care segment, we primarily generate virtual care service revenue from contracts with Clients who purchase access to the THMG Association's professional provider network or medical experts for their employees, dependents and other beneficiaries. Our Client contracts include a PMPM, PEPM, or PPPM access fee as well as certain contracts that generate revenue based solely on a per-telehealth visit basis for general medical and other specialty visits. Depending on the product, we may generate revenue from Clients through a combination of access fees and visit fees, while certain Clients may have access-fee only or visit fee only arrangements.

We generate access fees from Clients accessing the THMG Association professional provider network, hosted virtual care platform, and chronic care management platforms. We also generate visit fee revenue for general medical, expert second opinions, virtual therapy, and other specialty visits. Additionally, we generate other revenue associated with virtual care device equipment sales included with our hosted virtual care platform. Visit and other revenues are reported as “Other” revenue in our consolidated financial statements.

Revenue is also generated from contracts with Clients in hospital and health systems for the sale and rental of equipment consisting of virtual care devices which allow physicians to access our hosted virtual care platform. These contracts also include multiple performance obligations, and we determine the standalone selling prices based on historical selling price of these performance obligations in similar transactions as well as current pricing practices. In some arrangements, devices are rented to certain Clients that qualify as either sales-type lease or operating lease arrangements and are subject to lease accounting guidance.

Revenue is also generated from contracts with Clients for our chronic care management solutions. Substantially all of this revenue is derived from monthly access fees that are recognized as services are rendered and earned under subscription agreements with Clients that are based on a PPPM model, using the number of active enrolled members each month for the minimum enrollment period. These solutions integrate devices, supplies, access to our web-based platform, mobile application, and clinical and data services to provide an overall health management solution. The promises to transfer these goods and services are not separately identifiable and are considered a single continuous service comprised of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service). These services are consumed as they are received, and we recognize revenue each month using the variable consideration allocation exception because the nature of the obligations and the variability of the payment being based on the number of active members are aligned.

Our Client agreements generally have a term of one to three years for the Integrated Care segment, the majority of which have a term of one year. Revenues are recognized when we satisfy our performance obligation to stand ready to

provide virtual care services which occurs when our Clients and members have access to and obtain control of the virtual care service or platform.

For contracts where revenue is generated on a per-telehealth visit basis, revenues are recognized when the visits are completed as we have delivered on our stand ready obligation to provide access. For other revenue, which primarily includes virtual care devices, our performance obligation is satisfied when the equipment is provided to the Client and revenue is recognized at a point in time upon shipment.

We generally bill for virtual care services on a monthly basis, in advance or in arrears depending on the service, with payment terms generally being 30 days. There are not significant differences between the timing of revenue recognition and billing. Consequently, we have determined that Client contracts do not include a financing component. Revenue is recognized in an amount that reflects the consideration that is expected in exchange for the service and for certain contracts include a variable transaction price as the number of members may vary from period to period. We estimate this amount based on historical experience.

Our contracts do not generally contain refund provisions for fees earned related to services performed.

Additionally, certain of our contracts include Client performance guarantees and pricing adjustments that are based upon minimum member utilization and guarantees by us for specific service level performance, member satisfaction scores, cost savings or other value achievements or guarantees, and health outcome guarantees. Performance guarantees are estimated at each reporting period based on our historical performance or other available information of the underlying criteria or the customer's specific performance as of that reporting date. Any estimated adjustments to the contract price for achieving or not achieving the performance guarantee are recognized as an adjustment to revenue in the period. Performance obligations related to prior periods for changes in estimated transaction price or Client performance guarantees resulted in an increase of \$8.3 million in revenue for the year ended December 31, 2025 and a decrease of \$5.9 million of revenue for the year ended December 31, 2024.

We have elected the practical expedient to not disclose the remaining performance obligations of our contracts since the majority of our contracts have a duration of one year or less and the variable consideration expected to be received over the duration of the contract is allocated entirely to the wholly unsatisfied performance obligations.

For additional revenue, deferred revenue, deferred costs, and disclosures, refer to Note 3. "Revenue, Deferred Revenue, and Deferred Device and Contract Costs."

BetterHelp Segment

As it relates to the BetterHelp segment, users can purchase virtual therapy services for an access fee, generally on a monthly or weekly basis. In certain states, users can utilize their insurance coverage to pay for virtual therapy services on a per visit basis. For other wellness services, users can purchase access to their consumer application for a subscription fee, generally for a period of one year. BetterHelp also provides virtual therapy services to employers as part of employee assistance programs, with revenues recorded based on completion of visit.

The BetterHelp service provides for member refunds. We estimate the expected amount of refunds to be issued based on historical experience, which are recorded as a reduction of revenue. We issued refunds of approximately \$49.9 million and \$84.0 million for the years ended December 31, 2025 and 2024, respectively.

Goodwill

Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at the reporting unit level annually on October 1 or more frequently if events or changes in circumstances indicate that it is more likely than not to be impaired. These events include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in our market capitalization, as indicated by our publicly quoted share price. The Company has two reporting units, which are the same as its reportable segments: Teladoc Health Integrated Care and BetterHelp.

As of December 31, 2025, our balance of goodwill was \$283.2 million, which all related to the BetterHelp segment.

Concurrent with the closing of our acquisitions of Telecare and Catapult Health, we performed goodwill impairment tests on our Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, we recognized immediate impairments of \$12.6 million and \$59.1 million of goodwill associated with the Telecare and Catapult Health acquisitions in the three months ended September 30, 2025 and March 31, 2025, respectively, reflecting a total of \$71.8 million in 2025.

At October 1, 2025, we performed our annual test of goodwill impairment using a discounted cash flow method under the income approach. We determined that the BetterHelp reporting unit's fair value exceeded its carrying value, while the Integrated Care reporting unit's fair value approximated its carrying value. Since the BetterHelp reporting unit's fair value exceeded its carrying value and the Integrated Care reporting unit carried no goodwill at October 1, 2025, no impairment was recorded. If the carrying value of the Integrated Care reporting unit exceeds its fair value as of the date of any future business combinations, the future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

In the period following December 31, 2025, there has been a decline in the Company's market capitalization, based upon the Company's publicly quoted share price, below the Company's carrying or book value. If this decline in the share price is sustained, it could require further testing of our goodwill in our next reporting period, which may result in an impairment. Absent changes to our projected cash flows, we would reassess the discount rate to reflect the market's perception of risks to achieving our projected cash flows and other economic factors. Those factors alone, or in combination with other factors, could cause our carrying value to exceed the fair value, resulting in impairment.

Refer to Note 7. "Goodwill" to our consolidated financial statements for further information.

Other Intangible Assets

Other intangible assets include client and other relationships, acquired technology, and trademarks resulting from business acquisitions, as well as capitalized software development costs. As of December 31, 2025, the aggregate balance of these assets was \$1,297.1 million. We amortize these definite-lived intangible assets over their estimated useful lives as disclosed in Note 9. "Intangible Assets, Net and Certain Cloud Computing Costs" to the consolidated financial statements. We also review the estimated useful lives on a quarterly basis to determine if the period of economic benefit has changed. Potential changes in useful lives, whether due to strategic decisions involving our brands, competitive forces, or other factors could result in additional amortization expense taking effect prospectively in the period of the change and could have a material impact on our consolidated financial statements.

Customer relationships are amortized over a period of two to 20 years in relation to expected future cash flows. The useful lives of the customer relationships are subject to risks and uncertainties including future attrition rates. These considerations include, but are not limited to, the emergence of new competitor offerings, relative competitor pricing and scale, our ability to successfully integrate and manage the acquired customers, our level of success in delivering future innovation, and overall changes in economic and regulatory conditions. Significant changes in any one or a combination of considerations could lead us to update our weighted average attrition rate, which, in turn would impact the assigned useful life and the level of amortization expense recorded for our customer relationship intangibles. For example, a sustained increase in the customer attrition rate related to customers added as a result of the Livongo acquisition could prompt us to reduce our estimate of the remaining useful life of the customer relationships. Should this occur, a one-year reduction to the estimated life would result in an annual increase in amortization expense of approximately \$7.0 million. Acquired technology is amortized over four to seven years using the straight-line method. Capitalized software development costs are amortized over three to five years using the straight-line method.

During the three months ended December 31, 2025, we initiated a strategy to transition the remainder of our chronic condition management Clients and members to the Teladoc Health brand by December 31, 2026. In connection with the brand strategy, we have decreased the remaining useful life of the related trademarks asset, which increased amortization expense for the year ended December 31, 2025 by \$7.7 million and will increase amortization expense for the year ending December 31, 2026 by \$30.7 million.

Definite-lived intangible assets are re-evaluated whenever events or changes in circumstances indicate that their estimated useful lives may require revision and/or the carrying value of the related asset group may not be recoverable by its projected undiscounted cash flows. If the carrying value of the asset group is determined to be unrecoverable, an

impairment charge would be recognized in an amount equal to the amount by which the carrying value of the asset group exceeds its fair value.

Provision for Income Taxes

Our provision for income taxes, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The objectives for accounting for income taxes, as prescribed by the relevant accounting guidance, are to recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the financial statements. Deferred income taxes reflect the tax effect of temporary differences between asset and liability amounts that are recognized for financial reporting purposes and the amounts that are recognized for income tax purposes. These deferred taxes are measured by applying currently enacted tax laws. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

We recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The assumptions about future tax consequences require significant judgment and variations in the actual outcome of these consequences could materially impact our results of operations. We recognize tax liabilities based on estimates of whether additional taxes and interest will be due. We adjust these liabilities when our judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from our current estimate of the tax liabilities. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Determination of valuation allowances recorded against deferred tax assets requires significant judgment and use of assumptions, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. To the extent that new information becomes available which causes us to change our judgment regarding the adequacy of existing valuation allowances, such changes to tax liabilities will impact income tax expense in the period in which such determination is made.

Components of Results of Operations

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately)

Cost of revenue (exclusive of depreciation and amortization, which are shown separately), or "Cost of revenue," primarily consists of fees paid to the physicians and other health professionals in the THMG Association and the Uplift Association provider networks; product cost; costs incurred in connection with the THMG Association and the Uplift Association provider network operations and data center activities, which include employee-related expenses (including salaries and benefits, incentive compensation, and stock-based compensation); costs related to Client support; and provider network, medical records, magnetic resonance imaging, medical lab tests, translation, postage, medical malpractice insurance, and deferred device costs. Cost of revenue includes costs of technology enabling multiple modes of real-time communication, including via web browser, mobile application, voice / telephony, and text. These expenses increase or decrease as the level of revenue changes. Cost of revenue is driven primarily by the number of general medical visits, mental health visits, expert medical services, and other specialty visits completed in each period and are closely correlated or directly related to delivery of our solutions and monthly access fees. Many of the elements of the cost of revenue are relatively variable, and can be reduced in the near-term to offset any decline in our revenue. Our business and operational models are designed to be highly scalable and leverage variable costs to support revenue-generating activities. Cost of revenue does not include an allocation of depreciation and amortization.

Advertising and Marketing Expenses

Advertising and marketing expenses consist primarily of costs of digital and media advertisements, personnel, and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) for our marketing staff and communications materials that are produced for member acquisition and to generate greater awareness and utilization among our Clients and members. Marketing costs also include third-party independent research, trade shows

and brand messages, public relations costs, and stock-based compensation for our advertising and marketing employees. Our advertising and marketing expenses exclude certain allocations of occupancy expense as well as depreciation and amortization.

Our advertising and marketing expenses will fluctuate as a percentage of our total revenue from period to period due to the seasonality of our total revenue and the timing and extent of our advertising campaigns and marketing expenses. We will continue to invest in advertising and marketing by promoting our brands through a variety of marketing and public relations activities.

Sales Expenses

Sales expenses consist primarily of employee-related expenses, including salaries, benefits, commissions, incentive-based awards, and stock-based compensation, employment taxes, travel costs for our employees engaged in sales, account management, and sales support in addition to commissions paid to external brokers. Our sales expenses exclude certain allocations of occupancy expense as well as depreciation and amortization.

Technology and Development Expenses

Technology and development expenses include the costs of operating our on-demand technology infrastructure that are not directly related to changes in revenue or volume of visits, including certain licensed applications, information technology infrastructure, security, and compliance. The technology and development line item also contains amounts charged to expense for research and development, which include costs of new product development, costs to add new features or improve reliability or scalability of existing applications, and other software development and engineering costs to the extent that they are not capitalized. The research and development expenses may enable future revenue growth but are not directly related to current revenues.

Technology and development expenses include personnel and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) for software engineering, information technology infrastructure, security and compliance, product development, and support for our efforts to add new features and ensure the reliability or scalability of our existing solutions. Technology and development expenses also include outsourced software engineering services, the costs of operating our on-demand technology infrastructure (whereas costs directly associated with revenue are presented separately in cost of revenues), certain licensed applications, and stock-based compensation for its technology and development employees. Our technology and development expenses exclude certain allocations of occupancy expense, capitalized software development costs, and depreciation and amortization.

Our technology and development expenses may fluctuate as a percentage of our total revenue from period to period due to the seasonality of our total revenue and the timing and extent of our technology and development expenses, including the ability to capitalize software development costs.

General and Administrative Expenses

General and administrative expenses include personnel and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) of, and professional fees incurred by our finance, legal and compliance, operations, human resources, clinical, corporate strategy, business development, strategies, quality and executive departments. They also include bank charges, most of the occupancy costs including rent, utilities, and facilities maintenance, except for amounts allocated to cost of revenues, as well as therapists recruiting costs, related to BetterHelp, indirect taxes and certain licensed corporate applications. Our general and administrative expenses exclude any allocation of depreciation and amortization.

Our general and administrative expenses may fluctuate as a percentage of our total revenue from period to period due to the seasonality of our total revenue and the timing and extent of our general and administrative expenses.

Acquisition, Integration, and Transformation Costs

Acquisition, integration, and transformation costs include investment banking, financing, legal, accounting, consultancy, integration, fair value changes related to contingent consideration, and certain other transaction costs related to mergers and acquisitions. It also includes costs related to certain business transformation initiatives focused on

integrating and optimizing various operations and systems, including upgrading our CRM and ERP systems, incurred in connection with our acquisition and integration activities.

Restructuring Costs

Restructuring costs consist primarily of lease impairment costs, losses related to the reduction of office space, and costs for employee transition, severance payments, employee benefits, and related costs.

Amortization of Intangible Assets

Amortization of intangible assets consists of the amortization of capitalized software development costs and of acquisition-related intangible assets.

Depreciation of Property and Equipment

Depreciation of property and equipment consists of the depreciation of fixed assets.

Interest Income

Interest income primarily consists of interest earned on cash and cash equivalents.

Interest Expense

Interest expense consists of interest costs and the amortization of debt discounts primarily associated with convertible senior notes.

Other Expense (Income), Net

Other expense (income), net includes the impact of foreign currency remeasurement, realized gains on investment securities, and all other non-operating items not included in other financial statement lines.

Provision for Income Taxes

Provision for income taxes reflects management's best assessment of estimated current and future taxes to be paid. The objectives for accounting for income taxes, as prescribed by the relevant accounting guidance, are to recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the financial statements. See above for Critical Accounting Estimates and Policies.

Adjusted EBITDA and Free Cash Flow

To supplement our financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), we use certain non-GAAP financial measures to clarify and enhance an understanding of past performance, which include Adjusted EBITDA (as defined below) and free cash flow. We believe that the presentation of these financial measures enhances an investor's understanding of our financial performance, and are commonly used by investors to evaluate our performance and that of our competitors. We further believe that these financial measures are useful to assess our operating performance and financial and business trends from period-to-period by excluding certain items that we believe are not representative of our core business, and that free cash flow reflects an additional way of viewing our liquidity that, when viewed together with GAAP results, provides management, investors, and other users of our financial information with a more complete understanding of factors and trends affecting our cash flows. We use these non-GAAP financial measures for business planning purposes and in measuring our performance relative to that of our competitors. We utilize Adjusted EBITDA as a key measure of our performance.

Adjusted EBITDA consists of net loss before provision for income taxes; other expense (income), net; interest income; interest expense; depreciation of property and equipment; amortization of intangible assets; restructuring costs; acquisition, integration, and transformation cost; goodwill impairments; and stock-based compensation.

Free cash flow is net cash provided by operating activities less capital expenditures and capitalized software development costs.

Our use of these non-GAAP terms may vary from that of others in our industry, and other companies may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Non-GAAP measures have important limitations as analytical tools and you should not consider them in isolation, and they should not be considered as an alternative to net loss before provision for income taxes, net loss, net loss per share, net cash from operating activities or any other measures derived in accordance with GAAP. Some of these limitations are:

- Adjusted EBITDA eliminates the impact of the provision for income taxes on our results of operations, and does not reflect other expense (income), net, interest income, or interest expense;
- Adjusted EBITDA does not reflect restructuring costs. Restructuring costs may include certain lease impairment costs, certain losses related to early lease terminations, and severance;
- Adjusted EBITDA does not reflect significant acquisition, integration, and transformation costs. Acquisition, integration, and transformation costs include investment banking, financing, legal, accounting, consultancy, integration, fair value changes related to contingent consideration and certain other transaction costs related to mergers and acquisitions. It also includes costs related to certain business transformation initiatives focused on integrating and optimizing various operations and systems, including upgrading our CRM and ERP systems. These transformation cost adjustments made to our results do not represent normal, recurring, operating expenses necessary to operate the business but rather, incremental costs incurred in connection with our acquisition and integration activities;
- Adjusted EBITDA does not reflect goodwill impairment charges; and
- Adjusted EBITDA does not reflect the significant non-cash stock-based compensation expense which should be viewed as a component of recurring operating costs.

In addition, although amortization of intangible assets and depreciation of property and equipment are non-cash charges, the assets being amortized and depreciated will often have to be replaced in the future, and Adjusted EBITDA does not reflect any expenditures for such replacements.

We compensate for these limitations by using these non-GAAP measures along with other comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include net loss, net loss per share, net cash provided by operating activities, and other performance measures.

In evaluating these financial measures, you should be aware that in the future we may incur expenses similar to those eliminated in this presentation. Our presentation of these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

Consolidated Results of Operations

The following table sets forth our consolidated statement of operations data for the years ended December 31, 2025 and 2024 and the dollar and percentage change between the respective periods (dollars in thousands, except per share data).

	Year Ended December 31,		Variance	%
	2025	2024		
Revenue	\$ 2,529,977	\$ 2,569,574	\$ (39,597)	(2)%
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	771,593	751,270	20,323	3 %
Advertising and marketing	653,372	705,787	(52,415)	(7)%
Sales	194,518	204,993	(10,475)	(5)%
Technology and development	277,922	307,274	(29,352)	(10)%
General and administrative	431,891	435,490	(3,599)	(1)%
Goodwill impairments	71,763	790,000	(718,237)	(91)%
Acquisition, integration, and transformation costs	9,010	1,743	7,267	n/m
Restructuring costs	18,785	20,355	(1,570)	(8)%
Amortization of intangible assets	350,764	363,365	(12,601)	(3)%
Depreciation of property and equipment	13,314	10,183	3,131	31 %
Total costs and expenses	<u>2,792,932</u>	<u>3,590,460</u>	<u>(797,528)</u>	<u>(22)%</u>
Loss from operations	(262,955)	(1,020,886)	757,931	74 %
Interest income	(36,770)	(57,071)	20,301	(36)%
Interest expense	19,714	23,803	(4,089)	(17)%
Other expense (income), net	<u>(10,369)</u>	<u>6,035</u>	<u>(16,404)</u>	<u>n/m</u>
Loss before provision for income taxes	(235,530)	(993,653)	758,123	76 %
Provision for income taxes	<u>(35,208)</u>	<u>7,592</u>	<u>(42,800)</u>	<u>n/m</u>
Net loss	<u>\$ (200,322)</u>	<u>\$ (1,001,245)</u>	<u>\$ 800,923</u>	<u>80 %</u>
Net loss per share, basic and diluted	<u>\$ (1.14)</u>	<u>\$ (5.87)</u>	<u>\$ 4.73</u>	<u>81 %</u>
Adjusted EBITDA (1)	<u>\$ 281,095</u>	<u>\$ 310,711</u>	<u>\$ (29,616)</u>	<u>(10)%</u>

n/m – not meaningful

(1) Non-GAAP Financial Measures

The following table reconciles net loss, the most directly comparable GAAP measure, to Adjusted EBITDA for the years ended December 31, 2025 and 2024 (in thousands):

	Year Ended December 31,	
	2025	2024
Net loss	\$ (200,322)	\$ (1,001,245)
Add:		
Provision for income taxes	(35,208)	7,592
Other expense (income), net	(10,369)	6,035
Interest expense	19,714	23,803
Interest income	(36,770)	(57,071)
Depreciation of property and equipment	13,314	10,183
Amortization of intangible assets	350,764	363,365
Restructuring costs	18,785	20,355
Acquisition, integration, and transformation costs	9,010	1,743
Goodwill impairments	71,763	790,000
Stock-based compensation	80,414	145,951
Adjusted EBITDA	<u>\$ 281,095</u>	<u>\$ 310,711</u>
Integrated Care	\$ 239,222	\$ 232,902
BetterHelp	41,873	77,809
Adjusted EBITDA	<u>\$ 281,095</u>	<u>\$ 310,711</u>

Revenue. The following table presents revenues disaggregated by revenue source and geography for the years ended December 31, 2025 and 2024 (dollars in thousands):

	Year Ended December 31,		Variance	%
	2025	2024		
Revenue by Type				
Access Fees	\$ 2,091,941	\$ 2,215,220	\$ (123,279)	(6)%
Other	438,036	354,354	83,682	24 %
Total Revenue	<u>\$ 2,529,977</u>	<u>\$ 2,569,574</u>	<u>\$ (39,597)</u>	(2)%
Revenue by Geography				
U.S. Revenue	\$ 2,071,739	\$ 2,159,959	\$ (88,220)	(4)%
International Revenue	458,238	409,615	48,623	12 %
Total Revenue	<u>\$ 2,529,977</u>	<u>\$ 2,569,574</u>	<u>\$ (39,597)</u>	(2)%

Revenue. Total revenue was \$2,530.0 million for the year ended December 31, 2025, compared to \$2,569.6 million for the year ended December 31, 2024, a decrease of \$39.6 million, or 2%. This decrease in revenue was driven by lower revenue in our BetterHelp segment, partially offset by higher revenue in our Integrated Care segment. The acquisitions of Catapult Health, Uplift, and Telecare increased total revenue for the year ended December 31, 2025 by approximately 2 percentage points.

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately below). Cost of revenue was \$771.6 million for the year ended December 31, 2025, compared to \$751.3 million for the year ended December 31, 2024, an increase of \$20.3 million, or 3%. The increase was primarily driven by higher labor costs, technology costs, and amortization of devices, partially offset by lower provider costs.

Advertising and Marketing Expenses. Advertising and marketing expenses were \$653.4 million for the year ended December 31, 2025, compared to \$705.8 million for the year ended December 31, 2024, a decrease of \$52.4 million, or 7%. This decrease was driven by lower media advertising and employee compensation costs.

Sales Expenses. Sales expenses were \$194.5 million for the year ended December 31, 2025, compared to \$205.0 million for the year ended December 31, 2024, a decrease of \$10.5 million, or 5%. The decrease was primarily driven by lower employee compensation costs and lower professional fees, partially offset by higher broker commissions.

Technology and Development Expenses. Technology and development expenses were \$277.9 million for the year ended December 31, 2025, compared to \$307.3 million for the year ended December 31, 2024, a decrease of \$29.4 million, or 10%. The decrease was primarily driven by lower employee compensation costs, partially offset by higher infrastructure, hosting, and software license costs associated with running operations as well as ongoing projects and services to continuously improve and optimize our products and services. For the years ended December 31, 2025 and 2024, research and development costs were \$88.5 million and \$89.1 million, respectively.

General and Administrative Expenses. General and administrative expenses were \$431.9 million for the year ended December 31, 2025, compared to \$435.5 million for the year ended December 31, 2024, a decrease of \$3.6 million, or 1%. The decrease was primarily driven by lower employee compensation, partially offset by higher indirect taxes, professional fees, software and infrastructure costs, and dues and subscriptions.

Goodwill Impairments. Concurrent with the completion of the acquisitions of Telecare and Catapult Health, we performed goodwill impairment tests on the Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value at those times. As a result, immediate impairments of \$12.6 million and \$59.1 million of goodwill associated with the Telecare and Catapult Health acquisitions were recognized in the three months ended September 30, 2025 and March 31, 2025, respectively, reflecting a total of \$71.8 million in 2025. If the carrying value of the Integrated Care reporting unit exceeds its fair value as of the date of any future business combinations, the future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

Acquisition, Integration, and Transformation Costs. Acquisition, integration, and transformation costs were \$9.0 million for the year ended December 31, 2025, compared to \$1.7 million for the year ended December 31, 2024, an increase of \$7.3 million. The increase relates to the costs to integrate the operations of the businesses acquired and to complete the upgrade of a technology platform.

Restructuring Costs. Restructuring costs were \$18.8 million and \$20.4 million for the years ended December 31, 2025 and 2024, respectively. The costs primarily related to severance, the reduction of office space, right-of-use asset impairment charges, and other restructuring related costs. See Note 13. "Restructuring" to the financial statements for additional information.

Subsequent to December 31, 2025 and as a result of our review of the business to drive further efficiency, better align resources, and improve profitability, we expect to incur pre-tax restructuring costs under our plan in the range of \$15.0 million to \$20.0 million for the year ending December 31, 2026, of which approximately \$9.0 million to \$11.0 million is expected to be incurred in the three months ending March 31, 2026. The charges will primarily relate to employee transition, severance, employee benefits, and other costs, including costs associated with office space reductions.

Amortization of Intangible Assets.

The following table shows amortization of intangible assets broken down by components for the periods indicated (in thousands):

	Year Ended December 31,		%
	2025	2024	
Amortization of acquired intangibles	\$ 183,147	\$ 230,328	(20)%
Amortization of capitalized software development costs	167,617	133,037	26 %
Amortization of intangible assets	<u>\$ 350,764</u>	<u>\$ 363,365</u>	<u>(3)%</u>

Amortization of intangible assets was \$350.8 million for the year ended December 31, 2025, compared to \$363.4 million for the year ended December 31, 2024, a decrease of \$12.6 million, or 3%. The decrease was primarily driven by the lower amortization associated with the Livongo trademark, partially offset by an increase in the amortization of capitalized software development costs related to our investment in platforms.

Depreciation of Property and Equipment. Depreciation of property and equipment was \$13.3 million for the year ended December 31, 2025, compared to \$10.2 million for the year ended December 31, 2024, an increase of \$3.1 million, or 31%. The increase was driven primarily by accelerated depreciation associated with decisions made to exit certain leased spaced in the year ended December 31, 2025.

Interest Income. Interest income was \$36.8 million for the year ended December 31, 2025, compared to \$57.1 million for the year ended December 31, 2024. The decrease was driven by a lower average balance of cash and cash equivalents and lower interest rate yields.

Interest Expense. Interest expense was \$19.7 million for the year ended December 31, 2025, compared to \$23.8 million for the year ended December 31, 2024. The decrease was driven by the maturation of the Livongo Notes and 2025 Notes.

Other Expense (Income), Net. Other expense (income), net was an income of \$10.4 million for the year ended December 31, 2025, compared to an expense of \$6.0 million for the year ended December 31, 2024. The balance in both periods primarily reflects the impact of foreign currency exchange rate fluctuations.

Provision for Income Taxes. We recorded income tax benefit of \$35.2 million for the year ended December 31, 2025, compared to an income tax expense of \$7.6 million for the year ended December 31, 2024. The tax benefit in 2025 resulted primarily from the benefits of \$20.1 million related to completion of a research and development tax credit study and \$15.0 million from the current year's acquisitions. The tax expense in 2024 was primarily due to a shortfall related to stock-based compensation awards that vested during the year.

Segment Information

The following tables set forth the results of operations by segment for the years ended December 31, 2025 and 2024 (dollars in thousands):

Integrated Care	Year Ended December 31,		Variance	%
	2025	2024		
Revenue	\$ 1,579,610	\$ 1,528,870	\$ 50,740	3 %
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	516,326	474,955	41,371	9 %
Advertising and marketing, exclusive of stock-based compensation	130,023	134,453	(4,430)	(3)%
Other segment expenses (1)	694,039	686,560	7,479	1 %
Adjusted EBITDA	<u>\$ 239,222</u>	<u>\$ 232,902</u>	<u>\$ 6,320</u>	3 %
Adjusted EBITDA Margin %	15.1%	15.2%		

(1) Other segment expenses include sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

Integrated Care total revenues increased by \$50.7 million, or 3%, to \$1,579.6 million for the year ended December 31, 2025. The acquisitions of Catapult Health and Telecare increased Integrated Care total revenue for the year ended December 31, 2025 by approximately 2 percentage points.

Integrated Care cost of revenue, exclusive of depreciation, amortization, and stock-based compensation, increased by \$41.4 million, or 9%, to \$516.3 million for the year ended December 31, 2025. The increase was primarily driven by higher provider costs, technology costs, and amortization of device costs.

Integrated Care advertising and marketing, exclusive of stock-based compensation, decreased by \$4.4 million, or 3%, to \$130.0 million for the year ended December 31, 2025, primarily reflecting lower spending on digital and media advertising and marketing.

Integrated Care other segment expenses increased by \$7.5 million to \$694.0 million for the year ended December 31, 2025. The increase was primarily driven by higher indirect taxes, software and infrastructure costs, commissions costs, and dues and subscriptions, partially offset by lower employee compensation.

BetterHelp	Year Ended December 31,		Variance	%
	2025	2024		
Therapy Services	\$ 930,700	\$ 1,017,725	\$ (87,025)	(9)%
Other Wellness Services	19,667	22,979	(3,312)	(14)%
Total Revenue	950,367	1,040,704	(90,337)	(9)%
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	253,185	271,533	(18,348)	(7)%
Advertising and marketing, exclusive of stock-based compensation	518,455	558,759	(40,304)	(7)%
Other segment expenses (1)	136,854	132,603	4,251	3 %
Adjusted EBITDA	\$ 41,873	\$ 77,809	\$ (35,936)	(46)%
Adjusted EBITDA Margin %	4.4%	7.5%		

(1) Other segment expenses include sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

BetterHelp total revenues decreased by \$90.3 million, or 9%, to \$950.4 million for the year ended December 31, 2025, driven by a 5% decrease in average monthly paying users. The acquisition of Uplift increased BetterHelp total revenue for the year ended December 31, 2025 by approximately 1 percentage point.

BetterHelp cost of revenue, exclusive of depreciation, amortization, and stock-based compensation decreased by \$18.3 million, or 7%, to \$253.2 million for the year ended December 31, 2025. The decrease was primarily driven by lower therapist costs.

BetterHelp advertising and marketing, exclusive of stock-based compensation decreased by \$40.3 million, or 7%, to \$518.5 million for the year ended December 31, 2025, primarily reflecting lower spending on digital and media advertising.

BetterHelp other segment expenses increased by \$4.3 million, or 3%, to \$136.9 million for the year ended December 31, 2025. The increase was primarily driven by higher employee related costs, professional fees, dues and subscriptions, and software and infrastructure costs, partially offset by lower indirect taxes, occupancy and office costs, and credit card processing fees.

Liquidity and Capital Resources

The following table presents a summary of our cash flow activity for the years ended December 31, 2025 and 2024 (in thousands):

Consolidated Statements of Cash Flows - Summary	Year Ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 294,357	\$ 293,680
Net cash used in investing activities	(266,003)	(124,052)
Net cash (used in) provided by financing activities	(551,652)	8,312
Effect of foreign currency exchange rate changes	6,055	(3,288)
Total (decrease) increase in cash and cash equivalents	\$ (517,243)	\$ 174,652

Our principal source of liquidity is our cash and cash equivalents, totaling \$781.1 million as of December 31, 2025. During 2025, we experienced positive operating cash flow and we anticipate continuing positive operating cash flows for 2026.

We believe that our existing cash and cash equivalents will be sufficient to meet our working capital, capital expenditure, and contractual obligation needs for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, contract renewal activity, number of visits, our ability to retain and/or obtain new members, the timing and extent of spending to support product development efforts, our expansion of sales and marketing activities, the introduction of new and enhanced services offerings, the continuing market acceptance of virtual care, and our debt service obligations. We may in the future enter into arrangements to acquire or invest in additional complementary businesses, services, technologies, and intellectual property rights. We may be required to seek additional equity or debt financing to fund working capital, capital expenditures and acquisitions, and to settle debt obligations. 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, which would adversely affect our business, financial condition, and results of operations.

On July 17, 2025, we entered into the five-year, \$300.0 million Revolving Credit Facility. We entered into the Revolving Credit Facility to preserve and enhance our financial and operational flexibility, however, we do not currently anticipate borrowing any amounts under the facility. See Note 11. "Debt" to the consolidated financial statements for additional information on the Revolving Credit Facility.

We routinely enter into contractual obligations with third parties to provide professional services, licensing, and other products and services in support of our ongoing business. The current estimated cost of these contracts is not expected to be significant to our liquidity and capital resources based on contracts in place as of December 31, 2025.

Cash from Operating Activities

Cash flows provided by operating activities consisted of net loss adjusted for certain non-cash items and the cash effect of changes in assets and liabilities. Cash provided by operating activities was \$294.4 million and \$293.7 million for the years ended December 31, 2025 and 2024, respectively, reflecting an increase of \$0.7 million. The increase was driven by higher collections from customers and lower incentive compensation payments, offset by higher operational spending.

The primary uses of cash from operating activities are for the payment of cash compensation, provider fees, engagement marketing, direct-to-consumer digital and media advertising, inventory, insurance, technology costs, interest expense and acquisition, integration, and transformation costs. Historically, cash compensation is at its highest level in the first quarter when discretionary employee compensation related to the previous fiscal year is paid.

Cash from Investing Activities

Cash used in investing activities was \$266.0 million for the year ended December 31, 2025 and was \$124.1 million for the year ended December 31, 2024. The increase of \$142.0 million was primarily driven by the amounts paid in the year ended December 31, 2025 to acquire Catapult Health and Telecare, the amount paid to acquire the net intangibles associated with the Uplift acquisition, and the amount paid to acquire the securities of a private company.

Cash from Financing Activities

Cash used in financing activities for the year ended December 31, 2025 was \$551.7 million. This primarily reflects the repayment of our Livongo Notes and 2025 Notes upon maturity and payment of issuance costs related to the Revolving Credit Facility in the year ended December 31, 2025. Cash provided by financing activities for the year ended December 31, 2024 was \$8.3 million and primarily consisted of \$3.6 million of proceeds from the exercise of employee stock options and \$4.7 million of proceeds from participants in our employee stock purchase plan.

Free Cash Flow

The following is a reconciliation of net cash provided by operating activities to free cash flow (in thousands, unaudited):

	Year Ended December 31,	
	2025	2024
Net cash provided by operating activities	\$ 294,357	\$ 293,680
Capital expenditures	(8,893)	(10,790)
Capitalized software development costs	(118,562)	(113,262)
Free Cash Flow	<u>\$ 166,902</u>	<u>\$ 169,628</u>

Free cash flow was \$166.9 million for the year ended December 31, 2025, as compared to \$169.6 million for the year ended December 31, 2024. The year-over-year decrease was substantially driven by an increase in capitalized software development costs, partially offset by a decrease in capital expenditures.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk and Foreign Currency Exchange Risk

Our cash and cash equivalents are subject to interest rate volatility, which impacts the amount of interest income earned, and represents our principal market risk. A 1% change in interest rates would result in a change of interest income generated from our cash and cash equivalents by approximately \$7.0 million over the next 12 months. We do not enter into investments for trading or speculative purposes.

Our convertible senior notes bear fixed interest rates so would not be exposed to changes in market interest rates. As interest rates under our Revolving Credit Facility are variable (see Note 11. “Debt” to the consolidated financial statements for additional information), any borrowing made under the Revolving Credit Facility would be exposed to changes in market interest rates. However, there were no amounts outstanding under the Revolving Credit Facility as of December 31, 2025, so there is currently no financial interest rate exposure.

We operate our business primarily within the U.S. which accounts for approximately 82% of our revenues. We have not historically utilized hedging strategies with respect to our foreign currency exchange exposure, however we may begin to do so.

Concentrations of Risk and Significant Clients

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although we deposit our cash with multiple financial institutions in the U.S. and in foreign countries, our deposits, at times, may exceed federally insured limits or foreign equivalent. Our cash equivalents are primarily invested in institutional money market funds.

No single Client represented over 10% of consolidated revenues for the years ended December 31, 2025 or 2024. For the Integrated Care segment, a significant portion of our revenue is derived from large enterprises, mainly health plans. Revenue from the five largest Clients accounted for 31% of total Integrated Care segment revenue for each of the years ended December 31, 2025 and 2024. For further information, see “Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed,” and “—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations” included elsewhere in this Annual Report on Form 10-K.

For the BetterHelp segment, there is no significant concentration risk as substantially all revenue is generated from individuals in the direct-to-consumer market.

Item 8. Financial Statements and Supplementary Data

Our consolidated financial statements are listed in the Index to Consolidated Financial Statements and Supplemental Data filed as part of this Annual Report on Form 10-K.

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

None.

Item 9A. Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Principal Financial Officer, evaluated, as of the end of the period covered by this Annual Report on Form 10-K, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on that evaluation, our Chief Executive Officer and Principal Financial Officer concluded that as of December 31, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Principal Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal control system is designed to provide reasonable assurance regarding the preparation and fair presentation of published financial statements.

Our management, including our Chief Executive Officer and Principal Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2025. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework (2013 framework). Based on this assessment, management, including our Chief Executive Officer and Principal Financial Officer, concluded that we maintained effective internal control over financial reporting at the reasonable assurance level as of December 31, 2025.

Consistent with guidance issued by the SEC that an assessment of a recently acquired business may be omitted from management's report on internal control over financial reporting in the year of acquisition, management excluded an assessment of the effectiveness of the Company's internal control over financial reporting related to Catapult Health, LLC, Uplift Health Technologies, Inc., and Telecare Australia Pty Ltd., which were acquired during the year ended December 31, 2025. These acquisitions accounted for approximately 3% of consolidated total assets and approximately 2% of consolidated revenue for the year ended December 31, 2025.

Ernst & Young LLP, independent registered public accounting firm, is appointed by the Board of Directors and ratified by our Company's stockholders. They were engaged to render an opinion regarding the fair presentation of our consolidated financial statements as well as conducting an audit of internal control over financial reporting. Their accompanying reports are based upon audits conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States).

February 26, 2026

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Teladoc Health, Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Teladoc Health, Inc.'s internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Teladoc Health, Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of Catapult Health, LLC, Uplift Health Technologies, Inc., and Telecare Australia Pty Ltd., which are included in the 2025 consolidated financial statements of the Company and constituted 3% of total consolidated assets as of December 31, 2025 and 2% of consolidated revenues for the year then ended. Our audit of internal control over financial reporting of the Company also did not include an evaluation of the internal control over financial reporting of Catapult Health, LLC, Uplift Health Technologies, Inc., and Telecare Australia Pty Ltd.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a) and our report dated February 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

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

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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

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

/s/ Ernst & Young LLP

New York, New York
February 26, 2026

Item 9B. Other Information

(a) On February 20, 2026, J. Eric Evans notified us of his intention to retire from the Board effective immediately. Mr. Evans had previously notified us of his intention not to stand for reelection at our 2026 annual meeting of stockholders. Mr. Evans is retiring from the Board for personal reasons and not because of any disagreement with us on any matter.

(b) **Rule 10b5-1 Trading Plans.** During the three months ended December 31, 2025, the following officer (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted a Rule 10b5-1 trading arrangement (as defined in Item 408 of Regulation S-K of the Securities Act of 1933), which was intended to satisfy the affirmative defense of Rule 10b5-1(c):

On November 3, 2025, Fernando Madeira Rodrigues, our President of BetterHelp, adopted a Rule 10b5-1 trading plan that provides for the sale of up to 129,115 shares of our common stock through December 2026.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Information required by Items 10, 11, 12, 13 and 14 of Part III is omitted from this Annual Report and will be filed in a definitive proxy statement or by an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report.

Item 10. Directors, Executive Officers and Corporate Governance

We will provide information that is responsive to this Item 10 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Corporate Governance and Board Matters,” and possibly elsewhere therein. That information is incorporated in this Item 10 by reference.

Our Board has adopted a Code of Business Conduct and Ethics that applies to all of our employees, officers, and directors. The full text of our Code of Business Conduct and Ethics is posted on the Investors section of our website, www.teladohealth.com. We intend to disclose any amendments to our Code of Business Conduct and Ethics, or waivers of its requirements, on our website.

We have adopted an insider trading policy governing the purchase, sale, and other disposition of our securities by our directors, officers, and employees. We believe this policy is reasonably designed to promote compliance with insider trading laws, rules, and regulations and listing standards applicable to the Company. In addition, with regard to the Company’s trading in its own securities, it is our policy to comply with the federal securities laws and the applicable exchange listing requirements.

Item 11. Executive Compensation

We will provide information that is responsive to this Item 11 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the captions “Director Compensation,” “Executive Compensation” and “Compensation Tables,” and possibly elsewhere therein. That information is incorporated in this Item 11 by reference.

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

We will provide information that is responsive to this Item 12 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the captions “Securities Ownership of Certain Beneficial Owners and Management” and “Equity Compensation Plan Information,” and possibly elsewhere therein. That information is incorporated in this Item 12 by reference.

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

We will provide information that is responsive to this Item 13 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Related-Party Transactions,” and possibly elsewhere therein. That information is incorporated in this Item 13 by reference.

Item 14. Principal Accounting Fees and Services

We will provide information that is responsive to this Item 14 in our definitive proxy statement or in an amendment to this Annual Report not later than 120 days after the end of the fiscal year covered by this Annual Report, in either case under the caption “Audit Matters” (excluding the information under the subheading “Audit Committee Report”), and possibly elsewhere therein. That information is incorporated in this Item 14 by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

- (a) (1) Our consolidated financial statements are listed in the Index to Consolidated Financial Statements and Supplemental Data filed as part of this Annual Report on Form 10-K.
- (2) Schedule II—Valuation and Qualifying Accounts.

Valuation and Qualifying Accounts (in thousands):

Descriptions	Balance at Beginning of Period	Provision	Other	Write-offs	Balance at End of Period
Allowance for Doubtful Accounts					
2025 (1)	\$ 5,134	\$ 1	\$ 857	\$ (1,959)	\$ 4,033
2024	\$ 4,240	\$ 3,795	\$ (23)	\$ (2,878)	\$ 5,134
2023	\$ 4,324	\$ 4,686	\$ 3,001	\$ (7,771)	\$ 4,240
Income Tax Valuation Allowance					
2025 (1)	\$ 416,701	\$ 29,385	\$ 7,337	\$ —	\$ 453,423
2024 (2)	\$ 418,234	\$ (275)	\$ (1,258)	\$ —	\$ 416,701
2023 (2)	\$ 415,751	\$ 1,904	\$ 579	\$ —	\$ 418,234

- (1) Other includes currency translation adjustments as well as purchase accounting and acquisition-related adjustments for 2025.
- (2) Other reflects currency translation adjustments.
- (3) A list of exhibits is set forth on the Exhibit Index immediately prior to the signature page of this Annual Report on Form 10-K, and is incorporated herein by reference.

Item 16. Form 10-K Summary

Not applicable.

Exhibit Index

Exhibit Number	Exhibit Description	Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	Seventh Amended and Restated Certificate of Incorporation of Teladoc Health, Inc.	8-K	001-37477	3.1	6/2/22	
3.2	Seventh Amended and Restated Bylaws of Teladoc Health, Inc.	10-K	001-37477	3.2	2/23/24	
4.1	Specimen stock certificate evidencing shares of the common stock.	10-K	001-37477	4.1	2/27/25	
4.2	Indenture, dated as of May 19, 2020, by and between Teladoc Health, Inc. and Wilmington Trust, National Association.	8-K	001-37477	4.1	5/19/20	
4.3	Global 1.25% Convertible Senior Note due 2027, dated as of May 19, 2020 (included as Exhibit A to Exhibit 4.4).	8-K	001-37477	4.2	5/19/20	
4.4	Credit Agreement, dated July 17, 2025, among Teladoc Health, Inc., JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and swingline lender, and the lenders party thereto.	8-K	001-37477	10.1	7/23/25	
4.5	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934, as amended.	10-K	001-37477	4.10	3/1/23	
10.1+	Form of Indemnification Agreement between Teladoc Health, Inc. and each of its directors and officers.	S-1/A	333-204577	10.7	6/18/15	
10.2+	Form of Indemnification Agreement between Teladoc Health, Inc. and each of its directors and officers (form used since October 2020).	10-K	001-37477	10.2	3/1/21	
10.3+	Teladoc Health, Inc. 2015 Incentive Award Plan (as amended and restated effective May 25, 2017).	8-K	001-37477	10.1	5/31/17	
10.4+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	S-1/A	333-204577	10.11	6/18/15	
10.5+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	S-1/A	333-204577	10.12	6/18/15	
10.6+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	S-1/A	333-204577	10.13	6/18/15	
10.7+	Form of Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2015 Incentive Award Plan.	10-Q	001-37477	10.1	5/2/22	
10.8+	Teladoc Health, Inc. 2015 Employee Stock Purchase Plan.	10-Q	001-37477	10.2	7/30/25	

10.9+	Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan (as amended on July 11, 2017).	S-8	333-219275	99.3	7/14/17
10.10+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan.	10-K	001-37477	10.17	3/1/17
10.11+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan.	10-K	001-37477	10.18	3/1/17
10.12+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2017 Employment Inducement Incentive Award Plan.	10-K	001-37477	10.19	3/1/17
10.13+	Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	S-8	333-249892	99.1	11/6/20
10.14+	Form of Stock Option Agreement under the Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	10-K	001-37477	10.14	3/1/21
10.15+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	10-K	001-37477	10.15	3/1/21
10.16+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. Livongo Acquisition Incentive Award Plan.	10-K	001-37477	10.16	3/1/21
10.17+	Teladoc Health, Inc. 2023 Incentive Award Plan.	8-K	001-37477	10.1	5/30/23
10.18+	First Amendment to Teladoc Health, Inc. 2023 Incentive Award Plan.	8-K	001-37477	10.1	5/23/25
10.19+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.2	7/28/23
10.20+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.3	7/28/23
10.21+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.4	7/28/23
10.22+	Form of Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Incentive Award Plan.	10-Q	001-37477	10.5	7/28/23
10.23+	Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	S-8	333-273509	99.1	7/28/23
10.24+	First Amendment to Teladoc Health, Inc. 2023 Employment Inducement Award Plan.	8-K	001-37477	10.4	6/10/24
10.25+	Second Amendment to Teladoc Health, Inc. 2023 Employment Inducement Award Plan.	10-K	001-37477	10.25	2/27/25
10.26+	Third Amendment to Teladoc Health, Inc. 2023 Employment Inducement Award Plan.	8-K	001-37477	10.1	12/12/25

10.27+	Form of Stock Option Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.2	10/27/23
10.28+	Form of Restricted Stock Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.3	10/27/23
10.29+	Form of Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.4	10/27/23
10.30+	Form of Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.5	10/27/23
10.31+	Teladoc Health, Inc. Level 14 Severance Plan.	8-K	001-37477	10.3	5/30/23
10.32+	Teladoc Health, Inc. Non-Employee Director Compensation Program (as amended).	10-K	001-37477	10.29	2/23/24
10.33+	Teladoc Health, Inc. Deferred Compensation Plan for Non-Employee Directors.	10-K	001-37477	10.8	2/27/18
10.34+	Offer Letter, dated June 5, 2024, by and between Teladoc Health, Inc. and Charles Divita.	8-K	001-37477	10.1	6/10/24
10.35+	Employment Agreement, dated June 10, 2024, by and between Teladoc Health, Inc. and Charles Divita.	8-K	001-37477	10.2	6/10/24
10.36+	Chief Executive Officer Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.3	8/1/24
10.37+	Form of Chief Executive Officer Performance Restricted Stock Unit Agreement under the Teladoc Health, Inc. 2023 Employment Inducement Incentive Award Plan.	10-Q	001-37477	10.4	8/1/24
10.38+	Executive Severance Agreement, dated June 24, 2019, by and between Teladoc Health, Inc. and Mala Murthy.	10-Q	001-37477	10.1	7/31/19
10.39+	Amendment No. 1 to Executive Severance Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Mala Murthy.	10-Q	001-37477	10.5	10/30/19
10.40+	Amendment No. 2 to Executive Severance Agreement, dated June 6, 2024, by and between Teladoc Health, Inc. and Mala Murthy.	8-K	001-37477	10.3	6/10/24
10.41+	Letter Agreement, dated April 1, 2024, by and between Teladoc Health, Inc. and Mala Murthy.	10-Q	001-37477	10.1	4/26/24
10.42+	Executive Severance Agreement, dated July 15, 2015, by and between Teladoc Health, Inc. and Adam Vandervoort.	10-Q	001-37477	10.17	4/30/19

10.43+	Amendment No. 1 to Executive Severance Agreement, dated October 29, 2019, by and between Teladoc Health, Inc. and Adam Vandervoort.	10-Q	001-37477	10.8	10/30/19	
10.44+	Amendment No. 2 to Executive Severance Agreement, dated April 26, 2024, by and between Teladoc Health, Inc. and Adam Vandervoort.	10-Q	001-37477	10.4	4/26/24	
10.45+	Retention Bonus Agreement, dated April 26, 2024, by and between Teladoc Health, Inc. and Adam Vandervoort.	10-Q	001-37477	10.3	4/26/24	
10.46+	Executive Severance Agreement, dated July 14, 2017, by and between Teladoc Health, Inc. and Kelly Bliss.	10-K	001-37477	10.45	2/27/25	
10.47+	Amendment No. 1 to Executive Severance Agreement, dated April 26, 2024, by and between Teladoc Health, Inc. and Kelly Bliss.	10-K	001-37477	10.46	2/27/25	
10.48+	Retention Bonus Agreement, dated April 26, 2024, by and between Teladoc Health, Inc. and Kelly Bliss.	10-K	001-37477	10.47	2/27/25	
10.49+	Services Agreement, dated May 31, 2018, by and between Teladoc Health International, S.A.U. (formerly Advance Medical Healthcare Management Services, S.A.) and Carlos Nueno.	10-K	001-37477	10.48	2/27/25	
10.50+	Retention Bonus Agreement, dated April 26, 2024, by and between Teladoc Health, Inc. and Carlos Nueno.	10-K	001-37477	10.49	2/27/25	
19.1	Teladoc Health, Inc. Insider Trading Compliance Policy	10-K	001-37477	19.1	2/27/25	
21.1	Subsidiaries of the Registrant.					*
23.1	Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm					*
31.1	Chief Executive Officer and Principal Financial Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*
32.1	Chief Executive Officer and Principal Financial Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					**
97.1	Teladoc Health, Inc. Incentive-Based Compensation Recovery Policy.	10-K	001-37477	97.1	2/23/24	
101.INS	XBRL Instance Document.					*
101.SCH	XBRL Taxonomy Extension Schema Document.					*

101.CAL	XBRL Taxonomy Calculation Linkbase Document.	*
101.DEF	XBRL Definition Linkbase Document.	*
101.LAB	XBRL Taxonomy Label Linkbase Document.	*
101.PRE	XBRL Taxonomy Presentation Linkbase Document.	*
104	Cover Page Interactive Data File – The Cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	

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- * Filed herewith.
 - ** Furnished herewith.
 - + Management contract or compensatory plan.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA

	<u>Page</u>
1. Audited Consolidated Financial Statements of Teladoc Health, Inc.	
Report of Independent Registered Public Accounting Firm (PCAOB ID: 42)	F-2
Consolidated Balance Sheets	F-4
Consolidated Statements of Operations and Comprehensive Loss	F-5
Consolidated Statements of Stockholders' Equity	F-6
Consolidated Statements of Cash Flows	F-7
Notes to Audited Consolidated Financial Statements	F-8
2. Supplemental Financial Data:	
The following supplemental financial data of the Registrant required to be included in Item 15(a)(2) on Form 10-K are listed below:	
Schedule II – Valuation and Qualifying Accounts	78

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Teladoc Health, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Teladoc Health, Inc. (the Company) as of December 31, 2025 and 2024, the related consolidated statements of operations and comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedule listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 26, 2026 expressed an unqualified opinion thereon.

Basis for Opinion

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

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

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the 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 account or disclosures to which it relates.

Capitalized software development costs

Description of the Matter

At December 31, 2025, the Company's capitalized software development costs were \$249 million. As described in Note 2 and 9 of the consolidated financial statements, the Company capitalizes certain internal-use software development costs related to its tools that enable its members and providers to interact. Management determines the amount of internal-use software development costs to be capitalized based on the amount of time spent by internal software developers on projects in the application stage of development. There is judgment involved in estimating time incurred in the application development stage.

Auditing capitalized software development costs required a higher degree of judgment and effort involved in evaluating management's estimate related to the amount of time incurred by internal software developers on each project.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the Company's capitalized software development costs process. For example, we tested controls over the Company's process to review the time incurred by internal software developers on each project.

To test the Company's capitalized software development costs, we performed audit procedures that included, among others, inspecting underlying documentation to evaluate whether the time was capitalizable under the applicable accounting standards for a sample of projects. For these projects, we also inquired of technology and development management, project managers, and internal software developers regarding the objective, nature, and status of the projects and inquired with internal software developers regarding their time spent on each project and the nature of their tasks performed for the project. We also inspected underlying documentation to evaluate the nature of the work of the internal software developers.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2014.

New York, New York

February 26, 2026

TELADOC HEALTH, INC.
Consolidated Balance Sheets
(in thousands, except share and per share data)

	December 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 781,084	\$ 1,298,327
Accounts receivable, net of allowance for doubtful accounts of \$4,033 and \$5,134 at December 31, 2025 and December 31, 2024, respectively	192,826	214,146
Inventories	38,203	38,138
Prepaid expenses and other current assets	107,016	113,296
Total current assets	1,119,129	1,663,907
Property and equipment, net	26,972	29,487
Goodwill	283,190	283,190
Intangible assets, net	1,297,087	1,431,360
Operating lease—right-of-use assets	26,119	27,092
Other assets	105,803	81,488
Total assets	\$ 2,858,300	\$ 3,516,524
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 47,967	\$ 33,130
Accrued expenses and other current liabilities	198,208	202,157
Accrued compensation	96,258	76,229
Deferred revenue—current	62,305	79,296
Convertible senior notes, net—current	—	550,723
Total current liabilities	404,738	941,535
Other liabilities	643	720
Operating lease liabilities, net of current portion	34,204	32,135
Deferred revenue, net of current portion	9,139	9,786
Deferred taxes, net	28,945	49,851
Convertible senior notes, net—non-current	994,925	991,418
Total liabilities	1,472,594	2,025,445
Commitments and contingencies (Note 18)		
Stockholders' equity:		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 178,315,400 shares and 173,405,016 shares issued and outstanding as of December 31, 2025 and December 31, 2024 respectively	178	173
Additional paid-in capital	17,850,478	17,759,194
Accumulated deficit	(16,430,222)	(16,229,900)
Accumulated other comprehensive loss	(34,728)	(38,388)
Total stockholders' equity	1,385,706	1,491,079
Total liabilities and stockholders' equity	\$ 2,858,300	\$ 3,516,524

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)

	Year Ended December 31,		
	2025	2024	2023
Revenue	\$ 2,529,977	\$ 2,569,574	\$ 2,602,415
Costs and expenses:			
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	771,593	751,270	760,031
Advertising and marketing	653,372	705,787	688,854
Sales	194,518	204,993	213,780
Technology and development	277,922	307,274	348,521
General and administrative	431,891	435,490	464,659
Goodwill impairments	71,763	790,000	—
Acquisition, integration, and transformation costs	9,010	1,743	21,110
Restructuring costs	18,785	20,355	16,942
Amortization of intangible assets	350,764	363,365	325,933
Depreciation of property and equipment	13,314	10,183	11,138
Total costs and expenses	<u>2,792,932</u>	<u>3,590,460</u>	<u>2,850,968</u>
Loss from operations	(262,955)	(1,020,886)	(248,553)
Interest income	(36,770)	(57,071)	(46,782)
Interest expense	19,714	23,803	22,282
Other expense (income), net	(10,369)	6,035	(4,445)
Loss before provision for income taxes	(235,530)	(993,653)	(219,608)
Provision for income taxes	(35,208)	7,592	760
Net loss	(200,322)	(1,001,245)	(220,368)
Other comprehensive income (loss), net of tax:			
Currency translation adjustment	3,660	(1,398)	5,786
Comprehensive loss	<u>\$ (196,662)</u>	<u>\$ (1,002,643)</u>	<u>\$ (214,582)</u>
Net loss per share, basic and diluted	<u>\$ (1.14)</u>	<u>\$ (5.87)</u>	<u>\$ (1.34)</u>
Weighted-average shares used to compute basic and diluted net loss per share	<u>176,221,530</u>	<u>170,564,088</u>	<u>164,578,219</u>

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Consolidated Statements of Stockholders' Equity
(in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balances as of December 31, 2022	162,840,360	\$ 163	\$ 17,358,645	\$ (15,008,287)	\$ (42,776)	\$ 2,307,745
Exercise of stock options	175,761	—	1,481	—	—	1,481
Issuance of common stock upon vesting of restricted stock units	3,049,824	3	(3)	—	—	—
Issuance of stock under employee stock purchase plan	592,308	1	10,439	—	—	10,440
Stock-based compensation	—	—	220,989	—	—	220,989
Other comprehensive income, net of tax	—	—	—	—	5,786	5,786
Net loss	—	—	—	(220,368)	—	(220,368)
Balances as of December 31, 2023	166,658,253	167	17,591,551	(15,228,655)	(36,990)	2,326,073
Exercise of stock options	520,190	—	3,566	—	—	3,566
Issuance of common stock upon vesting of restricted stock units	5,634,883	6	(6)	—	—	—
Issuance of stock under employee stock purchase plan	591,690	—	5,409	—	—	5,409
Stock-based compensation	—	—	158,674	—	—	158,674
Other comprehensive loss, net of tax	—	—	—	—	(1,398)	(1,398)
Net loss	—	—	—	(1,001,245)	—	(1,001,245)
Balances as of December 31, 2024	173,405,016	173	17,759,194	(16,229,900)	(38,388)	1,491,079
Exercise of stock options	11,575	—	85	—	—	85
Issuance of common stock upon vesting of restricted stock units	4,361,100	4	(4)	—	—	—
Issuance of stock under employee stock purchase plan	537,709	1	3,240	—	—	3,241
Stock-based compensation	—	—	87,963	—	—	87,963
Other comprehensive income, net of tax	—	—	—	—	3,660	3,660
Net loss	—	—	—	(200,322)	—	(200,322)
Balances as of December 31, 2025	<u>178,315,400</u>	<u>\$ 178</u>	<u>\$ 17,850,478</u>	<u>\$ (16,430,222)</u>	<u>\$ (34,728)</u>	<u>\$ 1,385,706</u>

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities:			
Net loss	\$ (200,322)	\$ (1,001,245)	\$ (220,368)
Adjustments to reconcile net loss to net cash flows from operating activities:			
Goodwill impairments	71,763	790,000	—
Amortization of intangible assets	350,764	363,365	325,933
Stock-based compensation	80,414	145,951	201,550
Depreciation of property and equipment	13,314	10,183	11,138
Amortization of right-of-use assets	12,356	9,295	11,650
Provision for allowances for doubtful accounts	1	3,795	4,686
Deferred income taxes	(41,407)	(1,145)	(1,903)
Other, net	6,399	9,796	5,692
Changes in operating assets and liabilities:			
Accounts receivable	25,126	(375)	(10,252)
Prepaid expenses and other current assets	6,688	5,188	12,461
Inventory	399	(9,749)	24,095
Other assets	7,997	(1,257)	(23,052)
Accounts payable	11,454	(10,365)	(4,185)
Accrued expenses and other current liabilities	(22,984)	30,178	9,069
Accrued compensation	13,296	(20,499)	19,180
Deferred revenue	(19,762)	(18,246)	(4,900)
Operating lease liabilities	(13,628)	(10,892)	(10,224)
Other liabilities	(7,511)	(298)	(549)
Net cash provided by operating activities	294,357	293,680	350,021
Cash flows from investing activities:			
Capital expenditures	(8,893)	(10,790)	(11,464)
Capitalized software development costs	(118,562)	(113,262)	(144,884)
Proceeds from the sale of investment	740	—	—
Acquisitions accounted for as business combinations, net of cash acquired	(81,904)	—	—
Asset acquisition resulting in net intangible assets	(29,569)	—	—
Payments for investments	(27,875)	—	—
Other, net	60	—	1
Net cash used in investing activities	(266,003)	(124,052)	(156,347)
Cash flows from financing activities:			
Proceeds from the exercise of stock options	85	3,566	1,481
Proceeds from employee stock purchase plan	3,000	4,748	9,651
Repayment of convertible senior notes	(550,629)	—	—
Payment of credit facility issuance costs	(4,108)	—	—
Other, net	—	(2)	(278)
Net cash (used in) provided by financing activities	(551,652)	8,312	10,854
Net (decrease) increase in cash and cash equivalents	(523,298)	177,940	204,528
Effect of foreign currency exchange rate changes	6,055	(3,288)	965
Cash and cash equivalents at beginning of the period	1,298,327	1,123,675	918,182
Cash and cash equivalents at end of the period	\$ 781,084	\$ 1,298,327	\$ 1,123,675
Cash paid for income taxes, net	\$ 8,745	\$ 8,946	\$ 7,238
Interest paid	\$ 15,008	\$ 17,322	\$ 17,422
Supplemental disclosure of non-cash investing activities			
Accruals related to Intangible assets, net and Property and equipment, net	\$ 22,266	\$ 4,351	\$ 11,006

See accompanying notes to audited consolidated financial statements.

TELADOC HEALTH, INC.
Notes to Audited Consolidated Financial Statements

Note 1. Organization and Description of Business

Teladoc, Inc. was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. Unless the context otherwise requires, Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health” or the “Company.” The Company’s principal executive office is located in New York, New York. Teladoc Health is the global leader in virtual care. The Company’s mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

These consolidated financial statements have been prepared in accordance with the United States (“U.S.”) generally accepted accounting principles (“GAAP”). The consolidated financial statements include the results of Teladoc Health, as well as three professional associations and 10 professional corporations that comprise the “THMG Association” and five professional corporations that comprise the “Uplift Association.”

Teladoc Health Medical Group, P.A. (“THMG”) is party to a services agreement by and among it and the other professional associations and professional corporations in the THMG Association pursuant to which each professional association and professional corporation provides services to THMG. Each professional association and professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

Uplift Behavioral Health, P.C. (“Uplift PC”) is party to a services agreement by and among it and the other professional corporations in the Uplift Association pursuant to which each professional corporation provides services to Uplift PC. Each professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

The Company holds a variable interest in the THMG Association and the Uplift Association, which each contract with physicians and other health professionals in order to provide services to Teladoc Health. The THMG Association and the Uplift Association are each considered a variable interest entity (“VIE”) since each does not have sufficient equity to finance their respective activities without additional subordinated financial support. An enterprise having a controlling financial interest in a VIE must consolidate the VIE if it has both power and benefits—that is, it has (1) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance (power) and (2) the obligation to absorb losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE (benefits). The Company has the power and rights to control the activities that most significantly impact the THMG Association and the Uplift Association economic performance and funds and absorbs all losses of the VIE and appropriately consolidates the THMG Association and the Uplift Association.

Total revenue and net income for the VIEs were \$337.7 million and \$2.3 million, \$270.7 million and \$0.0 million, and \$241.7 million and \$0.0 million for the years ended December 31, 2025, 2024 and 2023, respectively. Total assets for the VIEs, all of which were current, were \$36.3 million and \$29.4 million at December 31, 2025 and 2024, respectively, and total liabilities, all of which were current, were \$82.6 million and \$78.0 million at December 31, 2025 and 2024, respectively. Total stockholders’ deficit for the VIEs was \$46.3 million and \$48.6 million at December 31, 2025 and 2024, respectively.

All intercompany transactions and balances have been eliminated.

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 stockholders, 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 obligations assumed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience, current business and economic factors, and various other assumptions that the Company believes are necessary to form a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company's business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company's consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment evolves. The Company believes that estimates used in the preparation of these consolidated financial statements are reasonable; however, actual results could differ materially from these estimates.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in the Consolidated Statement of Operations; if material, the effects of changes in estimates are disclosed in the Notes to Audited Consolidated Financial Statements.

Significant estimates and assumptions by management affect areas including the value and useful life of long-lived assets (including intangible assets), the capitalization and amortization of software development costs, allowances for sales, and the accounting for business combinations. Other significant areas include revenue recognition (including performance guarantees), the accounting for income taxes, contingencies (including earnouts), litigation and related legal accruals, the accounting for stock-based compensation awards, the probability assessment of satisfying vesting conditions for certain investments, and other items as described in the Summary of Significant Accounting policies in this Annual Report on Form 10-K.

Segment Information

The Company operates as an organizational and reporting structure based on two reportable segments, which are the same as its reporting units: Teladoc Health Integrated Care ("Integrated Care") and BetterHelp. This structure reflects how management allocates resources and assesses performance. See Note 19. "Segments" for further information.

Fair Value Measurements

The carrying value of the Company's cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value due to their short-term nature.

A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs that are supported by little or no market activity.

The Company measures its cash equivalents at fair value on a recurring basis. The Company classifies its cash equivalents within Level 1 because they are valued using observable inputs that reflect quoted prices for identical assets in active markets and quoted prices directly in active markets.

Revenue Recognition

The Company follows the revenue accounting requirements of Accounting Standards Codification (“ASC”) Topic 606, “Revenues from Contracts with Customers.” ASC Topic 606 establishes a principle for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The core principle of ASC Topic 606 is to recognize revenue to depict the transfer of promised goods or services to the Company’s customers, which primarily consist of employers, health plans, hospitals and health systems, insurance companies, and financial services companies (collectively “Clients”) as well as individual members, in an amount that reflects the consideration the entity expects to be entitled in exchange for those goods or services. This principle is achieved through applying the following five-step approach:

- Identification of the contract, or contracts, with a Client.
- Identification of the performance obligations in the contract.
- Determination of the transaction price.
- Allocation of the transaction price to the performance obligations in the contract.
- Recognition of revenue when, or as, the Company satisfies a performance obligation.

Integrated Care Segment

As it relates to the Company’s Integrated Care segment, the Company primarily generates virtual care service revenue from contracts with Clients who purchase access to the THMG Association’s professional provider network or medical experts for their employees, dependents and other beneficiaries. The Company’s Client contracts include a per-member-per-month (“PMPM”), per-employee-per-month (“PEPM”), or per-participant-per-month (“PPPM”) access fee as well as certain contracts that generate revenue based solely on a per-telehealth visit basis for general medical and other specialty visits. Depending on the product, we may generate revenue from clients through a combination of access fees and visit fees, while certain Clients may have access-fee only or visit fee only arrangements.

The Company generates access fees from Clients accessing the THMG Association professional provider network, hosted virtual care platform, and chronic care management platforms. We also generate visit fee revenue for general medical, expert second opinions, virtual therapy, and other specialty visits. Additionally, we generate other revenue associated with virtual care device equipment sales included with its hosted virtual care platform. Visit and other revenues are reported as “Other” revenue in the Company’s consolidated financial statements.

Revenue is also generated from contracts with Clients in hospital and health systems for the sale and rental of equipment consisting of virtual care devices which allow physicians to access the Company’s hosted virtual care platform. These contracts also include multiple performance obligations, and the Company determines the standalone selling prices based on overall pricing objectives. In some arrangements, devices are rented to certain Clients that qualify as either sales-type lease or operating lease arrangements and are subject to lease accounting guidance.

Revenue is also generated from contracts with Clients for the Company’s chronic care management solutions. Substantially all of this revenue is derived from monthly access fees that are recognized as services are rendered and earned under subscription agreements with Clients that are based on a PPPM model, using the number of active enrolled members

each month for the minimum enrollment period. These solutions integrate devices, supplies, access to the Company's web-based platform, mobile application, and clinical and data services to provide an overall health management solution. The promises to transfer these goods and services are not separately identifiable and are considered a single continuous service comprised of a series of distinct services that are substantially the same and have the same pattern of transfer (i.e., distinct days of service). These services are consumed as they are received, and the Company recognizes revenue each month using the variable consideration allocation exception because the nature of the obligations and the variability of the payment being based on the number of active members are aligned.

The Company's Client agreements generally have a term of one to three years for the Integrated Care segment, the majority of which have a term of one year. Revenues are recognized when the Company satisfies its performance obligation to stand ready to provide virtual care services which occurs when the Company's Clients and members have access to and obtain control of the virtual care service or platform.

For contracts where revenue is generated on a per-telehealth visit basis, revenues are recognized when the visits are completed as the Company has delivered on its stand ready obligation to provide access. For other revenue, which primarily includes virtual care devices, the Company's performance obligation is satisfied when the equipment is provided to the Client and revenue is recognized at a point in time upon shipment.

The Company generally bills for virtual care services on a monthly basis, in advance or in arrears depending on the service, with payment terms generally being 30 days. There are not significant differences between the timing of revenue recognition and billing. Consequently, the Company has determined that Client contracts do not include a financing component. Revenue is recognized in an amount that reflects the consideration that is expected in exchange for the service and for certain contracts include a variable transaction price as the number of members may vary from period to period. The Company estimates this amount based on historical experience.

The Company's contracts do not generally contain refund provisions for fees earned related to services performed.

Additionally, certain of the Company's contracts include Client performance guarantees and pricing adjustments that are based upon minimum member utilization and guarantees by the Company for specific service level performance, member satisfaction scores, cost savings or other value achievements or guarantees, and health outcome guarantees. Performance guarantees are estimated at each reporting period based on the Company's historical performance or other available information of the underlying criteria or the customer's specific performance as of that reporting date. Any estimated adjustments to the contract price for achieving or not achieving the performance guarantee are recognized as an adjustment to revenue in the period. Performance obligations related to prior periods for changes in estimated transaction price or Client performance guarantees resulted in an increase of \$8.3 million of revenue for the year ended December 31, 2025 and a decrease of \$5.9 million and \$14.7 million of revenue for the years ended December 31, 2024 and 2023, respectively.

The Company has elected the optional exemption to not disclose the remaining performance obligations of its contracts since the majority of its contracts have a duration of one year or less and the variable consideration expected to be received over the duration of the contract is allocated entirely to the wholly unsatisfied performance obligations.

For additional revenue, deferred revenue, deferred costs, and disclosures, refer to Note 3. "Revenue, Deferred Revenue, and Deferred Device and Contract Costs."

BetterHelp Segment

As it relates to the BetterHelp segment, users can purchase virtual therapy services for an access fee, generally on a monthly or weekly basis. In certain states, users can utilize their insurance coverage to pay for virtual therapy services on a per visit basis. For other wellness services, users can purchase access to their consumer application for a subscription fee, generally for a period of one year. BetterHelp also provides virtual therapy services to employers as part of employee assistance programs, with revenues recorded based on completion of visit.

The BetterHelp service provides for member refunds. The Company estimates the expected amount of refunds to be issued based on historical experience, which are recorded as a reduction of revenue. The Company issued refunds of approximately \$49.9 million, \$84.0 million, and \$93.0 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Deferred Revenue

Deferred revenue represents billed, but unrecognized revenue, and is comprised of fees received in advance of the delivery or completion of the services and amounts received in instances when revenue recognition criteria have not been met. The Company records deferred revenue when cash payments are received in advance of the Company's performance obligation to provide services. Deferred revenue is derived from: 1) upfront payments for a device, which is amortized ratably over the expected member enrollment period; 2) upfront payments for certain services where payment is required for future periods before the service is delivered to the member, which is recognized when the services are provided; and 3) upfront payments from third-party financing companies with whom the Company works to provide certain Clients with a rental option, which is recognized over the rental period. Deferred revenue that will be recognized during the next twelve-month period is recorded as current deferred revenue and the remaining portion is recorded as non-current deferred revenue.

Deferred Device and Contract Costs

Deferred device costs consist of cost of inventory incurred in connection with delivery of services that are deferred and amortized over the shorter of the expected member enrollment period or the expected device life and recorded as cost of revenue.

Deferred contract costs represent the incremental costs of obtaining a contract with a Client if the Company expects to recover such costs. The primary example of the Company's costs to obtain a contract include incremental sales commissions to obtain contracts paid to its sales organization. A portion of these incremental costs to obtain Client contracts are deferred and then amortized on a straight-line basis over the period of benefit, which has been determined to be four years. The amounts subject to the services period are amortized in sales expense in the consolidated statement of operations.

Deferred device and contract costs that are to be amortized within twelve months are recorded to deferred device and contract costs, current within the line item Prepaid expenses and other current assets and the remainder is recorded to deferred device and contract costs, noncurrent within the line item Other assets on the Company's consolidated balance sheets.

Cost of Revenue (exclusive of depreciation and amortization, which are shown separately)

Cost of revenue (exclusive of depreciation and amortization, which are shown separately) primarily consists of fees paid to the physicians and other health professionals in the THMG Association and the Uplift Association provider networks; product costs; costs incurred in connection with the THMG Association and the Uplift Association provider network operations and data center activities, which include employee-related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) costs related to Client support, and provider network, medical records, magnetic resonance imaging, medical lab tests, translation, postage, medical malpractice insurance, and deferred device costs. Cost of revenue includes costs of technology enabling multiple modes of real-time communication, including via web browser, mobile application, voice/telephony, and text.

Technology and Development

Technology and development expenses include the costs of operating the Company's on-demand technology infrastructure that are not directly related to changes in revenue or volume of visits, including certain licensed applications, information technology infrastructure, security, and compliance. The technology and development line item also contains amounts charged to expense for research and development, which include costs of new product development, costs to add new features or improve reliability or scalability of existing applications, and other software development and engineering costs to the extent that they are not capitalized. The research and development expenses may enable future revenue growth but are not directly related to current revenues.

Technology and development expenses include personnel and related expenses (including salaries and benefits, incentive compensation, and stock-based compensation) for software engineering, information technology infrastructure, security and compliance, product development, and support for the Company's efforts to add new features and ensure the reliability and scalability of its existing solutions. Technology and development expenses also include outsourced software engineering services, the costs of operating the Company's on-demand technology infrastructure (whereas costs directly associated with changes in revenue are presented separately in cost of revenues), certain licensed applications, and stock-

based compensation for its technology and development employees. The Company's technology and development expenses exclude certain allocations of occupancy expense, capitalized software development costs, and depreciation and amortization.

Research and Development Costs

Research and development costs include costs of new product development, costs to add new features or improve reliability or scalability of existing applications, and other software development and engineering costs to the extent that they are not capitalized. The research and development expenses may enable future revenue growth but are not directly related to changes in current revenues. Research and development costs are recorded as a component of technology and development in the Company's Consolidated Statements of Operations and Comprehensive Loss.

For the years ended December 31, 2025, 2024, and 2023, research and development costs of \$88.5 million, \$89.1 million, and \$124.6 million, respectively, were recognized in the Company's Consolidated Statements of Operations and Comprehensive Loss in technology and development.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash deposited with financial institutions and highly liquid investments with original maturities of three months or less from the date of purchase. The Company's cash equivalents primarily consist of investments in money market funds. The combined account balances at one or more institutions typically exceed the Federal Deposit Insurance Corporation insurance coverage or foreign equivalents, and, as a result, there is a concentration of credit risk related to amounts on deposit in excess of the insurance coverage.

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are recorded at the invoiced amount, net of allowances for doubtful accounts. The allowance for doubtful accounts reflects the Company's best estimate of expected losses inherent in the accounts receivable balance. The Company determines the allowance based on historical experience, specific account information, and other currently available evidence. Accounts receivable deemed uncollectable are charged against the allowance for doubtful accounts when identified.

Inventories

Inventories consist of purchased components for assembling welcome kits, refill kits, and replacement components for the Company's chronic care management solutions, and virtual health devices manufactured for sale or lease as part of the Company's hosted virtual care platform solution. Inventories are stated at the lower of cost and net realizable value. The cost of inventories is computed using standard cost, which approximates actual cost, on a first-in, first-out basis. Inventory costs include direct materials, direct labor and contracting costs, certain indirect labor and manufacturing overhead, and inbound shipping charges. Inventories are assessed on a periodic basis for potentially obsolete and slow-moving inventory with write-downs being recorded when identified. Write-downs are measured as the difference between cost of the inventory and net realizable value based upon assumptions about future demand and obsolescence, and charged to cost of revenue (exclusive of depreciation and amortization, which are shown separately) in the accompanying consolidated statement of operations. At the point of the loss recognition, a new lower cost basis for that inventory is established, and subsequent changes in facts and circumstances do not result in the restoration or increase in that newly established cost basis.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective asset as follows:

Computer equipment	3 years
Furniture and equipment	5 to 7 years
Leasehold improvements	Shorter of the lease term or the estimated useful lives of the improvements
Rental equipment	4.3 years

Operating Leases

The Company accounts for its leases under the standards set forth under ASC Topic 842, “Leases”. See Note 12. “Leases” for further information.

Leases of Hosted Virtual Care Platform

The Company rents its hosted virtual care platform for certain Clients under arrangements that qualify primarily as operating lease arrangements. The contracts include equipment consisting of virtual care devices which allow physicians access to the platform and there are multiple performance obligations where the Company determines the standalone selling prices based on overall selling prices and pricing objectives. In determining whether a transaction should be classified as a sales-type or operating lease, the Company considers whether: (1) ownership of the virtual care device transfers to the lessee by the end of the term of the lease, (2) the lease grants the lessee an option to purchase the virtual care device that the lessee is reasonably certain to exercise, (3) the lease term is for the major part of the remaining useful life of the virtual care device, (4) the present value of the sum of the lease payments equals or exceeds substantially all of the fair value of the virtual care device, and (5) it is expected that there will be no alternative use for the virtual care device at the end of the lease term.

The Company generally recognizes revenue for virtual care devices as sales-type leases at a point in time upon shipment by the Client provided all other revenue recognition criteria have been met. For operating lease arrangements, revenue for the virtual care device is recognized over the lease term and generally on a straight-line basis. For both sales-type and operating lease arrangement, revenue associated with virtual care platform access is recognized over the lease term on a straight-line basis.

Rental Equipment

Equipment is assigned to the rental pool upon the execution of a sales leasing arrangement. Rental equipment assets are generally stated at cost, less accumulated depreciation and reflected in property and equipment, net. Depreciation of rental equipment is provided on a straight-line basis, over the estimated useful lives of the respective assets, which is generally 4.3 years and is charged to cost of revenues.

Maintenance and repairs are charged to expense as incurred while improvements are capitalized. When assets are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the consolidated statement of operations in the period realized.

Capitalized Software Development Costs

The Company applies ASC 350-40, Intangibles-Goodwill and Other-Internal-Use Software, to the accounting for costs of internal-use software where no substantive plan either exists or is being developed to externally market the software. Capitalized software development costs are included in intangible assets and are amortized on a straight-line basis over three to five years. For the Company’s software development costs related to its tools that enable its members and providers to interact, the Company capitalizes internal-use software development costs incurred during the application development stage. Costs related to maintenance activities are expensed as incurred.

Goodwill

Goodwill represents the excess of the total purchase consideration over the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is not amortized but is tested for impairment at the reporting unit level annually on October 1 or more frequently if events or changes in circumstances indicate that it is more likely than not to be impaired. These events include: (i) severe adverse industry or economic trends; (ii) significant company-specific actions, including exiting an activity in conjunction with restructuring of operations; (iii) current, historical or projected deterioration of our financial performance; or (iv) a sustained decrease in the Company's market capitalization, as indicated by its publicly quoted share price. As of December 31, 2025, the Company operates as two reporting units under the guidance in ASC 350, “Intangibles- Goodwill and Other,” the Integrated Care reporting unit and the BetterHelp reporting unit.

When testing goodwill for impairment, the Company has the option of first performing a qualitative assessment to determine whether it is more likely than not that the fair value of its reporting units is less than its carrying amount. If the

Company elects to bypass the qualitative assessment, or if a qualitative assessment indicates it is more likely than not that carrying value exceeds its fair value, the Company performs a quantitative goodwill impairment test. Under the quantitative goodwill impairment test, if the Company's reporting unit's carrying amount exceeds its fair value, the Company will record an impairment charge based on that difference.

To determine reporting unit fair value as part of the quantitative test, the Company uses the income approach, the market approach, or a weighting of the fair values derived from both approaches. Under the income approach, the Company projects its future cash flows and discount these cash flows to reflect their relative risk. The cash flows used are consistent with those the Company uses in its internal planning, which reflects actual business trends experienced and its long-term business strategy. As such, key estimates and factors used in this method include, but are not limited to, revenue, margin and operating expense growth rates; as well as a discount rate and a terminal growth rate.

Under the market approach, the Company uses the guideline company method to develop valuation multiples and compare the Company's reporting unit to similar publicly traded companies. In order to further validate the reasonableness of fair value as determined by the income and market approaches described above, a reconciliation to market capitalization is then performed by estimating a reasonable control premium and other market factors. Future changes in the judgments, assumptions and estimates that are used in the impairment testing for goodwill could result in significantly different estimates of fair value.

Other Intangible Assets

Other intangible assets include client and other relationships, acquired technology, and trademarks resulting from business acquisitions as well as capitalized software development costs. The Company amortizes these definite-lived intangible assets over their estimated useful lives and review the estimated useful lives on a quarterly basis to determine if the period of economic benefit has changed. Customer relationships are amortized over a period of two to 20 years in relation to expected future cash flows. Acquired technology is amortized over four to seven years using the straight-line method. Capitalized software development costs are amortized over three to five years using the straight-line method.

Definite-lived intangible assets are re-evaluated whenever events or changes in circumstances indicate that their estimated useful lives may require revision and/or the carrying value of the related asset group may not be recoverable by its projected undiscounted cash flows. If the carrying value of the asset group is determined to be unrecoverable, an impairment charge would be recognized in an amount equal to the amount by which the carrying value of the asset group exceeds its fair value.

Other Investments

Investments in equity securities may be accounted for using (i) the fair value option if elected, (ii) fair value through earnings if fair value is readily determinable or (iii) for equity investments without readily determinable fair values, the measurement alternative to measure at cost adjusted for any impairment and observable price changes, as applicable. The election to use the measurement alternative is made for each eligible investment.

Convertible Senior Notes

The Company's convertible senior notes are fully accounted for and carried as liabilities, net of debt discounts on the Company's Consolidated Balance Sheets, consistent with ASC Subtopic 470-20, "Debt—Debt with Conversion and Other Options."

Stock-Based Compensation

Stock-based compensation for stock options and restricted stock units ("RSUs") granted is measured based on the grant-date fair value of the awards and recognized on a straight-line basis over the period during which the employee is required to perform services in exchange for the award (generally the vesting period of the award). The Company estimates the fair value of employee stock options using the Black-Scholes option-pricing model. Stock-based compensation for performance stock units ("PSUs") granted is measured based on the grant-date fair value of the awards and recognized on an accelerated tranche by tranche basis over the period during which the employee is required to perform services in exchange for the award (generally the vesting period of the award). The ultimate number of PSUs that are issued to an employee is the result of the actual performance under the terms of the awards at the end of the performance period

compared to the performance targets and generally range from 0% to 200% of the initial grant. The Company recognizes forfeitures of share-based awards as they occur.

The Company's Employee Stock Purchase Plan ("ESPP") permits eligible employees to purchase common stock at a discount through payroll deductions during defined offering periods. Under the ESPP, the Company may specify offerings with durations of not more than 27 months and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of its common stock will be purchased for employees participating in the offering. An offering may be terminated under certain circumstances. The price at which the stock is purchased is equal to the lower of 85% of the fair market value of the common stock at the beginning of an offering period or on the date of purchase.

Income Taxes

The Company's provision for income taxes, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. The objectives for accounting for income taxes, as prescribed by the relevant accounting guidance, are to recognize the amount of taxes payable or refundable for the current year and deferred tax assets and liabilities for future tax consequences of events that have been recognized in the financial statements. Deferred income taxes reflect the tax effect of temporary differences between asset and liability amounts that are recognized for financial reporting purposes and the amounts that are recognized for income tax purposes. These deferred taxes are measured by applying currently enacted tax laws. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The assumptions about future tax consequences require significant judgment and variations in the actual outcome of these consequences could materially impact the Company's results of operations. The Company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due. The Company adjusts these liabilities when its judgment changes as a result of the evaluation of new information not previously available. Because of the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the tax liabilities. Interest and penalties, if any, related to accrued liabilities for potential tax assessments are included in income tax expense.

Valuation allowances are recorded to reduce deferred tax assets when it is more likely than not that a tax benefit will not be realized. Determination of valuation allowances recorded against deferred tax assets requires significant judgment and use of assumptions, including past operating results, estimates of future taxable income and the feasibility of tax planning strategies. To the extent that new information becomes available which causes the Company to change its judgment regarding the adequacy of existing valuation allowances, such changes to tax liabilities will impact income tax expense in the period in which such determination is made.

Foreign Currency Translation

Assets and liabilities of operations having non-U.S. dollar functional currencies are translated at year-end exchange rates, and income statement accounts are translated at weighted average exchange rates for the year. Gains or losses resulting from translating foreign currency financial statements are reflected in accumulated other comprehensive loss, a separate component of shareholders' equity.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock of the Company outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock, including outstanding stock options and convertible notes, to the extent dilutive. Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of common stock outstanding would have been anti-dilutive.

Third-party Advertising and Marketing Expenses

Third-party advertising and marketing expenses are expensed as incurred and predominately relate to the BetterHelp segment and, to a lesser extent, communications and campaigns to the Integrated Care segment's Clients and members. For the years ended December 31, 2025, 2024, and 2023, advertising expenses were \$545.7 million, \$594.4 million, and \$613.9 million, respectively.

Concentrations of Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although the Company deposits its cash with multiple financial institutions in the U.S. and in foreign countries, its deposits, at times, may exceed federally insured limits or foreign equivalent. The Company's cash equivalents are primarily invested in institutional money market funds.

No single Client represented over 10% of consolidated revenue for the years ended December 31, 2025, 2024, or 2023. For the Integrated Care segment, a significant portion of its revenue is derived from large enterprises, mainly health plans. Revenue from the five largest Clients accounted for 31% of total Integrated Care segment revenue for each of the years ended December 31, 2025 and 2024. For further information, see "Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed," and "—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations" included elsewhere in this Annual Report on Form 10-K.

For the BetterHelp segment, there is no significant concentration risk as substantially all revenue is generated from individuals in the direct-to-consumer market.

Seasonality

The Company's business has historically been subject to seasonality. In the Company's Integrated Care segment, a concentration of the Company's new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, the Company historically has experienced its highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end of year holiday season, the Company's BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic the Company has typically experienced fewer new member additions and strong operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year the Company typically experiences weak operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

Recently Adopted Accounting Standards

In December 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvement to Income Tax Disclosures." The updates require enhanced disclosures related to an entity's effective tax rate reconciliation as well as disaggregated information regarding income taxes paid by jurisdiction. ASU 2023-09 applies prospectively to annual periods starting after December 15, 2024, with optional retrospective application. The Company adopted ASU 2023-09 in the year ended December 31, 2025 retrospectively. The adoption did not have an impact on the Company's consolidated financial position or results of operations; however, it resulted in additional income tax disclosures, which are included in Note 15. "Income Taxes."

Recently Issued Accounting Standards

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU 2024-03 requires a public business entity ("PBE") to disclose information in the notes to financial statements about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement

line item that contains those expenses. Entities would also have to disclose other specific expenses, gains, or losses that are already required to be disclosed under GAAP in this same disclosure, a qualitative description of the amounts remaining that are not separately disaggregated quantitatively, and the total amount of selling expenses, as well as the PBE's definition of selling expenses. In January 2025, the FASB Issued ASU No. 2025-01, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)," which clarified that ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The application of this new guidance is not expected to have a material impact on the Company's financial statements.

In May 2025, the FASB issued ASU No. 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity," which clarifies current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity that meets the definition of a business. ASU 2025-03 is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods, with early adoption permitted. The Company currently expects that the adoption of this ASU will not have a material effect on its financial statements.

In May 2025, the FASB issued ASU No. 2025-04, "Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer." This new standard clarifies the accounting for share-based consideration payable to a customer under Topics 718 and 606. Key changes include expanding the "performance condition" definition, requiring an estimate of forfeitures, and clarifying the measurement guidance. ASU 2025-04 is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The Company currently expects that the adoption of this ASU will not have a material effect on its financial statements.

In July 2025, the FASB issued ASU No. 2025-05, "Measurement of Credit Losses for Accounts Receivable and Contract Assets." This new standard provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, "Revenue from Contracts with Customers." The practical expedient allows companies to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when measuring credit losses. ASU 2025-05 is effective for annual periods beginning after December 15, 2025 and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements.

In September 2025, the FASB issued ASU 2025-06, "Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software." This new standard provides updated guidance on the capitalization and disclosure of internal-use software costs, including cloud computing arrangements and enhancements to qualitative and quantitative disclosures. The amendments aim to clarify when capitalization should begin and end, and require enhanced disclosures to provide greater transparency about software development spending and amortization patterns. ASU 2025-06 is effective for annual periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements and related disclosures.

In December 2025, the FASB issued ASU No. 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements," which intends to improve the navigability of the guidance in ASC 270 and clarify the applicability of the interim reporting guidance, the types of interim reporting, and the form and content of interim financial statements in accordance with GAAP. ASU 2025-11 is effective for annual periods beginning after December 15, 2027, and interim periods within those annual periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements and related disclosures.

Note 3. Revenue, Deferred Revenue, and Deferred Device and Contract Costs

The Company generates access fees from Clients, as well as individual paying users, accessing the THMG Association professional provider network, the Uplift Association professional provider network, and the Company's therapy and other wellness platforms, hosted virtual care platform, and chronic care management platforms. Visit fee revenue is generated for general medical, expert medical service, virtual therapy, and other specialty visits and is reported

as a component of other revenue. Revenue associated with virtual care device equipment sales included with the Company's hosted virtual care platform is also reported in other revenue.

The following table presents the Company's revenues disaggregated by revenue source and geography (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Revenue by Type			
Access Fees	\$ 2,091,941	\$ 2,215,220	\$ 2,282,521
Other	438,036	354,354	319,894
Total Revenue	<u>\$ 2,529,977</u>	<u>\$ 2,569,574</u>	<u>\$ 2,602,415</u>
Revenue by Geography			
U.S. Revenue	\$ 2,071,739	\$ 2,159,959	\$ 2,237,533
International Revenue	458,238	409,615	364,882
Total Revenue	<u>\$ 2,529,977</u>	<u>\$ 2,569,574</u>	<u>\$ 2,602,415</u>

Deferred Revenue

For certain services, payment is required for future periods before the service is delivered to the member. The Company records deferred revenue when cash payments are received in advance of the Company's performance obligation to provide services.

The following table summarizes deferred revenue activities for the periods presented (in thousands):

	Year Ended December 31,	
	2025	2024
Beginning balance	\$ 89,082	\$ 109,282
Balances assumed as part of business acquisitions	890	—
Cash collected	59,846	66,262
Revenue recognized	(78,374)	(86,462)
Ending balance	<u>\$ 71,444</u>	<u>\$ 89,082</u>

The Company expects to recognize revenue of \$62.3 million in 2026, \$7.0 million in 2027, and \$2.1 million in 2028 and thereafter related to future performance obligations that are unsatisfied or partially unsatisfied as of December 31, 2025.

Deferred Device and Contract Costs

Deferred device and contract costs are classified as a component of prepaid expenses and other current assets or other assets, depending on term, and consisted of the following (in thousands):

	As of	
	December 31, 2025	December 31, 2024
Deferred device and contract costs, current	\$ 31,820	\$ 33,188
Deferred device and contract costs, non-current	14,129	17,057
Total deferred device and contract costs	<u>\$ 45,949</u>	<u>\$ 50,245</u>

Deferred device and contract costs were as follows (in thousands):

	Deferred Device and Contract Costs
Beginning balance as of December 31, 2024	\$ 50,245
Additions	39,484
Cost of revenue recognized	(43,780)
Ending balance as of December 31, 2025	<u>\$ 45,949</u>

Note 4. Inventories

Inventories consisted of the following (in thousands):

	As of	
	December 31, 2025	December 31, 2024
Raw materials and purchased parts	\$ 13,783	\$ 14,459
Work in process	502	600
Finished goods	23,918	23,079
Total inventories	<u>\$ 38,203</u>	<u>\$ 38,138</u>

Note 5. Prepaid Expenses and Other Current Assets

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

	As of	
	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 64,291	\$ 67,471
Deferred device and contract costs, current	31,820	33,188
Other receivables	8,834	9,809
Other current assets	2,071	2,828
Total prepaid expenses and other current assets	<u>\$ 107,016</u>	<u>\$ 113,296</u>

Note 6. Acquisitions

Business Combinations

On February 28, 2025, Teladoc Health acquired full ownership of Catapult Health, LLC (“Catapult Health”). Including the final closing adjustments, the Company paid \$65.3 million, which is net of \$0.1 million of cash acquired. Additionally, the Company accrued \$3.8 million for contingent consideration, which reflected the acquisition date fair value of potential future payments that are contingent upon the achievement of certain specified targets. The acquisition of Catapult Health was accounted for as a business combination. Catapult Health is included as a component of the Company’s Integrated Care reporting segment.

The purchase price allocations for the Catapult Health acquisition include \$12.7 million for identifiable intangible assets and \$59.1 million for goodwill. As of December 31, 2025 the Company has concluded \$9.4 million of the intangible and \$43.2 million of the goodwill are tax deductible.

Concurrent with the closing of the acquisition of Catapult Health in the three months ended March 31, 2025, the Company recorded a full impairment of the \$59.1 million of acquired goodwill because the Integrated Care reporting unit’s fair value at the time of acquisition was less than its carrying value. See Note 7. “Goodwill” for further information.

On August 8, 2025, Teladoc Health acquired full ownership of Telecare Australia Pty Ltd (“Telecare”). Including closing adjustments, the Company paid \$16.6 million, which is net of \$1.1 million of cash acquired. The acquisition of Telecare was accounted for as a business combination. Telecare is included as a component of the Company’s Integrated Care reporting segment.

The purchase price allocations for the Telecare acquisition include \$6.3 million for identifiable intangible assets and \$12.6 million for goodwill. None of the goodwill is deductible for tax purposes.

Concurrent with the closing of the acquisition of Telecare in the three months ended September 30, 2025, the Company recorded a full impairment of the \$12.6 million of acquired goodwill because the Integrated Care reporting unit’s fair value at the time of acquisition was less than its carrying value. See Note 7. “Goodwill” for further information.

Asset Acquisition

On April 30, 2025, Teladoc Health acquired Uplift Health Technologies, Inc. (“Uplift”) by paying \$29.6 million in cash. The Company subsequently accrued an additional \$12.7 million that it expects it will pay during the year ending December 31, 2026 based on the achievement of certain specified targets. This transaction was accounted for as an asset acquisition since the acquired intangible asset, disclosed in client and other relationships, represented substantially all of the gross assets acquired. All revenue and expense recognized following the acquisition date related to Uplift are included as a component of the Company's BetterHelp reporting segment.

Other Investments

In the three months ended March 31, 2025, Teladoc Health paid \$27.0 million to acquire shares of common and preferred stock in a private company. In addition, the Company received warrants subject to certain vesting conditions that would allow for the purchase of additional preferred stock of the private company. This investment is included in “Other assets” in the Company's Condensed Consolidated Balance Sheet as of December 31, 2025.

Note 7. Goodwill

Goodwill consisted of the following (in thousands):

	Integrated Care	BetterHelp	Total
Balance as of December 31, 2022 and 2023	\$ —	\$ 1,073,190	\$ 1,073,190
Impairments	—	(790,000)	(790,000)
Balance as of December 31, 2024	—	283,190	283,190
Additions associated with business combinations	71,763	—	71,763
Impairments	(71,763)	—	(71,763)
Balance as of December 31, 2025	<u>\$ —</u>	<u>\$ 283,190</u>	<u>\$ 283,190</u>

Goodwill as of December 31, 2025 is net of accumulated impairment charges of \$14.3 billion, of which \$12.3 billion was recognized prior to the Company reorganizing its reporting structure to include two reportable segments, \$1.2 billion was recognized on the goodwill assigned to the Integrated Care segment, and \$0.8 billion was recognized on the goodwill assigned to the BetterHelp segment.

As a result of sustained decreases in the Company’s publicly quoted share price and market capitalization as well as changes in the operating results of the BetterHelp reporting unit, the Company conducted an interim test of its goodwill, definite-lived intangibles, and other long-lived assets at June 30, 2024. Following this test, the Company did not identify an impairment to its definite-lived intangible assets or other long-lived assets, but recorded a \$790.0 million non-deductible, non-cash goodwill impairment charge in the year ended December 31, 2024.

The Company’s June 30, 2024 goodwill impairment testing was performed using a discounted cash flow method under the income approach. Unlike in prior testing, the Company did not utilize the market approach because of limited availability of relevant comparable company information. The Company believes using only the income approach for this

impairment test was appropriate as it most directly reflects its future growth and profitability expectations. For the Company's June 30, 2024 impairment testing, the Company reduced its estimated future cash flows related to its BetterHelp reporting unit used in the impairment assessment, including revenues and margin, to reflect its best and most recent estimates at this time. The Company also updated certain significant inputs into the valuation models including the discount rate, which increased to 15%, reflecting, in part, higher interest rates. The Company's updates to its discount rate and estimated future cash flows each had a significant impact to the estimated fair value of the reporting unit.

Concurrent with the closing of its acquisitions of Telecare and Catapult Health, the Company performed goodwill impairment tests on its Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, the Company recognized immediate impairments of \$12.6 million and \$59.1 million of goodwill associated with the Telecare and Catapult Health acquisitions in the three months ended September 30, and March 31, 2025, respectively, reflecting a total of \$71.8 million in 2025.

At October 1, 2025, the Company performed its annual test of goodwill impairment using a discounted cash flow method under the income approach similar to previous impairment tests described above. The Company determined that the BetterHelp reporting unit's fair value exceeded its carrying value, while the Integrated Care reporting unit's fair value approximated its carrying value. Since the BetterHelp reporting unit's fair value exceeded its carrying value and the Integrated Care reporting unit carried no goodwill at October 1, 2025, no impairment was recorded. If the carrying value of the Integrated Care reporting unit exceeds its fair value as of the date of any future business combinations, the future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

In the period following December 31, 2025, there has been a decline in the Company's market capitalization, based upon its publicly quoted share price, below its carrying or book value. If this decline in the share price is sustained, it could require further testing of goodwill in its next reporting period, which may result in an impairment. Absent changes to projected cash flows, the Company would reassess the discount rate to reflect the market's perception of risks to achieving its projected cash flows and other economic factors. Those factors alone, or in combination with other factors, could cause the carrying value to exceed the fair value, resulting in impairment.

Note 8. Property and Equipment, Net

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

	As of	
	December 31, 2025	December 31, 2024
Computer equipment	\$ 48,519	\$ 42,868
Furniture and equipment	17,636	16,143
Leasehold improvements	28,923	25,332
Rental equipment	15,909	15,897
Construction in progress	1,211	603
Total	112,198	100,843
Accumulated depreciation	(85,226)	(71,356)
Property and equipment, net	<u>\$ 26,972</u>	<u>\$ 29,487</u>

Note 9. Intangible Assets, Net and Certain Cloud Computing Costs

Intangible assets, net consisted of the following (dollars in thousands):

	Useful Life	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life (Years)
December 31, 2025					
Client and other relationships	2 to 20 years	\$ 1,525,815	\$ (602,572)	\$ 923,243	10.3
Trademarks	2 to 15 years	272,269	(226,370)	45,899	1.3
Capitalized software development costs	3 to 5 years	665,631	(416,448)	249,183	2.0
Acquired technology	4 to 7 years	331,973	(253,211)	78,762	1.8
Intangible assets, net		<u>\$ 2,795,688</u>	<u>\$ (1,498,601)</u>	<u>\$ 1,297,087</u>	7.9
December 31, 2024					
Client relationships	2 to 20 years	\$ 1,453,811	\$ (490,426)	\$ 963,385	11.6
Trademarks	2 to 15 years	324,229	(263,671)	60,558	5.8
Capitalized software development costs	3 to 5 years	575,106	(293,588)	281,518	2.1
Acquired technology	4 to 7 years	341,563	(215,664)	125,899	2.8
Intangible assets, net		<u>\$ 2,694,709</u>	<u>\$ (1,263,349)</u>	<u>\$ 1,431,360</u>	8.7

The following table presents the Company's amortization of intangible assets by component (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Amortization of acquired intangibles	\$ 183,147	\$ 230,328	\$ 242,976
Amortization of capitalized software development costs	167,617	133,037	82,957
Amortization of intangible assets	<u>\$ 350,764</u>	<u>\$ 363,365</u>	<u>\$ 325,933</u>

During the second half of the year ended December 31, 2023, the Company initiated a strategy to transition the majority of its chronic condition management Clients and members to the Teladoc Health brand on a phased basis, with a smaller subset continuing to be served under the Livongo trade name beyond 2024. In connection with the brand strategy, the Company accelerated the amortization of intangible assets that are associated with the Livongo trademark, increasing amortization of intangible assets expense beginning in the second half of the year ended December 31, 2023 and continuing through the year ended December 31, 2024, with corresponding reductions thereafter.

During the three months ended December 31, 2025, the Company initiated a strategy to transition the remainder of its chronic condition management Clients and members to the Teladoc Health brand by December 31, 2026. In connection with the brand strategy, the Company has decreased the remaining useful life of the related trademarks asset, which increased amortization expense for the year ended December 31, 2025 by \$7.7 million, or \$0.04 per share, and will increase amortization expense for the year ending December 31, 2026 by \$30.7 million.

Periodic amortization of intangible assets that will be charged to expense over the remaining life of the intangible assets as of December 31, 2025 was as follows (in thousands):

Years Ending December 31,	
2026	\$ 347,492
2027	234,213
2028	138,681
2029	103,737
2030 and thereafter	472,964
	<u>\$ 1,297,087</u>

Refer to Note 7. “Goodwill” for the results of impairment testing of the Company’s intangible assets, including goodwill.

Net cloud computing costs, which are primarily related to the implementation of the Company's customer relationship management (“CRM”) and enterprise resource planning (“ERP”) systems, are recorded in “Other assets” within the Company's Consolidated Balance Sheets. As of December 31, 2025 and 2024, those costs were \$45.4 million and \$44.8 million, respectively. The associated expense for cloud computing costs, which is recorded in general and administration expense, was \$8.4 million and \$5.7 million for the years ended December 31, 2025 and 2024, respectively. The capitalized cloud computing implementation costs are amortized over the shorter of the term of the related cloud computing arrangement or the period of benefit from the right to access the hosted software. The amortization period will be periodically reassessed to determine if it continues to be reasonable.

Note 10. Accrued Expenses and Other Current Liabilities

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

	As of	
	December 31, 2025	December 31, 2024
Franchise, sales and other taxes	\$ 47,928	\$ 28,112
Marketing and advertising	26,707	44,057
Client performance guarantees and accrued rebates	19,734	36,865
Contingent consideration related to acquisitions	15,523	—
Consulting fees/provider fees	13,790	18,974
Information technology	12,174	10,147
Operating lease liabilities—current	11,037	10,337
Professional fees	9,868	9,358
Insurance	7,719	7,653
Staff augmentation	5,301	2,708
Lease abandonment obligation—current	4,443	5,036
Interest payable	1,042	1,483
Other	22,942	27,427
Total	<u>\$ 198,208</u>	<u>\$ 202,157</u>

Note 11. Debt

Outstanding Convertible Senior Notes

As of December 31, 2024, the Company had three series of convertible senior notes outstanding. The issuances of such notes originally consisted of (i) \$1.0 billion aggregate principal amount of 1.25% convertible senior notes due 2027 (the “2027 Notes”), issued on May 19, 2020 for net proceeds to the Company of \$975.9 million after deducting offering costs of approximately \$24.1 million, (ii) \$287.5 million aggregate principal amount of 1.375% convertible senior notes

due 2025 (the “2025 Notes”), issued on May 8, 2018 for net proceeds to the Company of \$279.1 million after deducting offering costs of approximately \$8.4 million, and (iii) \$550.0 million aggregate principal amount of 0.875% convertible senior notes due 2025 that were issued by Livongo Health, Inc. (“Livongo”) on June 4, 2020 for which the Company agreed to assume all of Livongo’s rights and obligations (the “Livongo Notes” and together with the 2027 Notes and the 2025 Notes, the “Notes”).

On the May 15, 2025 maturity date, the Company paid \$0.6 million to settle the outstanding principal amount of the 2025 Notes and, on the June 1, 2025 maturity date, paid \$550.0 million to settle the outstanding principal amount of the Livongo Notes. As of December 31, 2025, only the 2027 Notes remained outstanding.

The following table presents certain terms of the 2027 Notes that were outstanding as of December 31, 2025:

	2027 Notes
Principal Amount Outstanding as of December 31, 2025 (in thousands)	\$ 1,000,000
Interest Rate Per Year	1.25 %
Fair Value as of December 31, 2025 (in thousands) (1)	\$ 950,000
Fair Value as of December 31, 2024 (in thousands) (1)	\$ 875,000
Maturity Date	June 1, 2027
Optional Redemption Date	June 5, 2024
Conversion Date	December 1, 2026
Conversion Rate Per \$1,000 Principal Amount as of December 31, 2025	4.1258
Remaining Contractual Life as of December 31, 2025	1.4 years

(1) The Company estimates the fair value of its 2027 Notes utilizing market quotations for debt that have quoted prices in active markets. Since the 2027 Notes do not trade on a daily basis in an active market, the fair value estimates are based on market observable inputs based on borrowing rates currently available for debt with similar terms and average maturities. The 2027 Notes would be classified as Level 2 within the fair value hierarchy, as defined in Note 2. “Summary of Significant Accounting Policies.”

The 2027 Notes are unsecured obligations of the Company and rank senior in right of payment to the Company’s indebtedness that is expressly subordinated in right of payment to such 2027 Notes; equal in right of payment to the Company’s liabilities that are not so subordinated; effectively junior in right of payment to any of the Company’s secured indebtedness to the extent of the value of the assets securing such indebtedness (including the Credit Agreement described below); and structurally junior to all indebtedness and other liabilities incurred by the Company’s subsidiaries.

Holders may convert all or any portion of their 2027 Notes in integral multiples of \$1,000 principal amount, at their option, at any time prior to the close of business on the business day immediately preceding the applicable conversion date only under the following circumstances:

- during any quarter (and only during such quarter), if the last reported sale price of the shares of the Company’s common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price for the 2027 Notes on each applicable trading day;
- during the five business day period after any 10 consecutive trading day period in which the trading price was less than 98% of the product of the last reported sale price of Company’s common stock and the conversion rate for the 2027 Notes on each such trading day;
- upon the occurrence of specified corporate events described under the applicable indenture; or
- if the Company calls the 2027 Notes for redemption, at any time until the close of business on the second business day immediately preceding the redemption date.

On or after the applicable conversion date, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of the 2027 Notes, regardless of the foregoing circumstances.

The 2027 Notes are convertible into shares of the Company's common stock at the applicable conversion rate shown in the table above. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination thereof, at the Company's election. If the Company elects to satisfy the conversion obligation solely in cash or through payment and delivery, as the case may be, of a combination of cash and shares of the Company's common stock, the amount of cash and shares of the Company's common stock due upon conversion will be based on a daily conversion value calculated on a proportionate basis for each trading day in a 25 consecutive trading day observation period.

The Company may redeem for cash all or part of the 2027 Notes, at its option, on or after the applicable optional redemption date shown in the table above if the last reported sale price of its common stock exceeds 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days ending on, and including, the trading day immediately preceding the date on which the Company provides notice of the redemption. The redemption price will be the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest, if any. In addition, calling the 2027 Notes for redemption on or after the applicable optional redemption date will constitute a make-whole fundamental change with respect to the 2027 Notes, in which case the conversion rate applicable to the conversion of the 2027 Notes, if it is converted in connection with the redemption, will be increased in certain circumstances as described in the applicable indenture.

The Company accounts for the 2027 Notes at amortized cost within the liability section of its Consolidated Balance Sheets. The Company has reserved an aggregate of 4.1 million shares of common stock for the 2027 Notes.

The net carrying values of the indicated notes consisted of the following (in thousands):

	As of	
	December 31, 2025	December 31, 2024
2025 Notes		
Principal	\$ —	\$ 725
Less: Debt discount (1)	—	(2)
Net carrying amount	—	723
Livongo Notes		
Principal	—	550,000
Less: Debt discount (1)	—	—
Net carrying amount	—	550,000
2027 Notes		
Principal	1,000,000	1,000,000
Less: Debt discount (1)	(5,075)	(8,582)
Net carrying amount	994,925	991,418
Total net carrying amount	\$ 994,925	\$ 1,542,141
Convertible senior notes, net—current	\$ —	\$ 550,723
Convertible senior notes, net—non-current	994,925	991,418
Total net carrying amount	\$ 994,925	\$ 1,542,141

- (1) Included in the accompanying Consolidated Balance Sheets within Convertible senior notes, net—current and Convertible senior notes, net—non-current and amortized to interest expense over the expected life of the notes using the effective interest rate method.

The following table sets forth total interest expense recognized related to the indicated notes (in thousands):

2025 Notes	Year Ended December 31,		
	2025	2024	2023
Contractual interest expense	\$ 3	\$ 10	\$ 10
Amortization of debt discount	1	3	3
Total	\$ 4	\$ 13	\$ 13
Effective interest rate	1.8 %	1.8 %	1.8 %

Livongo Notes	Year Ended December 31,		
	2025	2024	2023
Contractual interest expense	\$ 2,005	\$ 4,813	\$ 4,813
Amortization of debt discount	—	—	—
Total	\$ 2,005	\$ 4,813	\$ 4,813
Effective interest rate	0.9 %	0.9 %	0.9 %

2027 Notes	Year Ended December 31,		
	2025	2024	2023
Contractual interest expense	\$ 12,465	\$ 12,500	\$ 12,500
Amortization of debt discount	3,507	3,451	3,396
Total	\$ 15,972	\$ 15,951	\$ 15,896
Effective interest rate	1.6 %	1.6 %	1.6 %

Revolving Credit Facility

On July 17, 2025 (the “Effective Date”), the Company entered into a credit agreement (the “Credit Agreement”) that provides for a five-year, \$300.0 million senior secured revolving credit facility (the “Revolving Credit Facility”).

Interest rates under the Revolving Credit Facility are variable and are equal to the euro interbank offered rate, the Sterling Overnight Index Average Reference Rate, the Secured Overnight Financing Rate (“Adjusted Term SOFR”) or the Canadian Overnight Repo Rate Average, in each case, plus a margin of 2.75% to 3.25% per annum based on the Company’s secured net leverage ratio, or, at the Company’s option, at a base reference rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) the rate of interest last quoted by the administrative agent of the Revolving Credit Facility (the “Administrative Agent”) as its “base rate” and (c) the one-month Adjusted Term SOFR plus 1.00%, plus a margin of 1.75% to 2.25% per annum based on the Company’s secured net leverage ratio.

The Company will pay customary agency fees and a commitment fee based on the daily unused portion of the Revolving Credit Facility at a rate of 0.50% per annum. The Revolving Credit Facility is not subject to amortization and will mature on the fifth anniversary of the Effective Date.

In connection with the closing of the Credit Agreement, the Company paid \$4.1 million in fees that are being amortized over the life of the Credit Agreement. At December 31, 2025, \$3.7 million of the fees remain unamortized and are being carried as an asset.

The Company’s obligations under the Credit Agreement are unconditionally guaranteed by all material domestic and foreign wholly-owned subsidiaries of the Company (the “Subsidiary Guarantors” and together with the Company, the “Obligors”), with customary exceptions.

On the Effective Date, each of the Obligors and the Administrative Agent entered into a pledge and security agreement, pursuant to which the Obligors granted a security interest in substantially all of their respective assets, in each case, subject to customary exceptions and exclusions.

Compliance with Debt Covenants

The Credit Agreement contains customary representations and warranties, affirmative covenants, negative covenants and events of default. The Credit Agreement also contains financial covenants that are tested on the last day of each of the Company's fiscal quarters. These financial covenants include a maximum secured net leverage ratio of 3.5:1, subject to a 4.0:1 covenant holiday following certain permitted acquisitions or permitted collaborations, and a minimum consolidated interest coverage ratio of 3.0:1. As of December 31, 2025, the Company was in compliance with these covenants.

As of December 31, 2025, the Company had approximately \$3.4 million of outstanding letters of credit under the Revolving Credit Facility, leaving approximately \$296.6 million available for borrowing, from which the Company had not drawn.

Note 12. Leases

Operating Leases

Teladoc Health has operating leases for facilities, hosting co-location facilities, and certain equipment under non-cancelable leases in the U.S. and various international locations. The leases have remaining lease terms of less than one to ten years, with options to extend the lease term from one to five years. At the inception of an arrangement, the Company determines whether the arrangement is, or contains, a lease based on the terms covering the right to use property, plant, or equipment for a stated period of time. As most of its leases do not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available on the commencement date to determine the present value of lease payments. The Company separately allocates the lease (e.g., fixed lease payments for right-to-use land, building, etc.) and non-lease components (e.g., common area maintenance) for its leases.

The components of lease expense reflected in the consolidated statements of operations were as follows (in thousands):

Lease cost	Year Ended December 31,		
	2025	2024	2023
Operating lease cost	\$ 13,308	\$ 13,259	\$ 15,458
Short-term lease cost	108	—	—
Total lease cost	\$ 13,416	\$ 13,259	\$ 15,458

In determining the present value of the lease payments, the Company has elected to utilize its incremental borrowing rate based on the original lease term and not the remaining lease term. Supplemental information related to operating leases was as follows (dollars in thousands):

Consolidated Statements of Cash Flows	Year Ended December 31,		
	2025	2024	2023
Operating cash flows used for operating leases	\$ 13,472	\$ 13,957	\$ 16,265
Operating lease liabilities arising from obtaining right-of-use assets	\$ 11,242	\$ 2,108	\$ 14,437
Other Information			
Weighted-average remaining lease term (in years)	5.44	4.98	5.54
Weighted-average discount rate	6.19 %	6.37 %	6.33 %

The Company leases office space under non-cancelable operating leases in the U.S. and various international locations. The future minimum lease payments under non-cancelable operating leases were as follows (in thousands):

	As of
	December 31,
	2025
Operating Leases:	
2026	\$ 13,304
2027	10,097
2028	7,956
2029	6,435
2030	6,163
2031 and thereafter	9,572
Total future minimum payments	53,527
Less: imputed interest	(8,286)
Present value of lease liabilities	\$ 45,241
Accrued expenses and other current liabilities	\$ 11,037
Operating lease liabilities, net of current portion	\$ 34,204

The Company rents certain virtual care platforms to selected qualified customers under arrangements that qualify as either sales-type lease or operating lease arrangements. Leases have terms that generally range from two to five years.

The Company recorded certain restructuring costs related to lease impairments and the related charges due to the abandonment and/or exit of excess leased office space. However, the lease liabilities related to these spaces remain an outstanding obligation of the Company as of December 31, 2025. See Note 13. “Restructuring” for further information.

Note 13. Restructuring

The Company accounts for restructuring costs in accordance with ASC Subtopic 420-10, “Exit or Disposal Cost Obligations” and ASC Section 360-10-35, “Property, Plant and Equipment-Subsequent Measurement.” The costs are recorded to the “Restructuring costs” line item within the Company’s Consolidated Statements of Operations and Comprehensive Loss as they are recognized.

The Company recorded \$18.8 million of restructuring costs during the year ended December 31, 2025, of which \$12.7 million was related to employee transition, severance, employee benefits, and related costs and \$6.1 million was related to costs associated with office space reductions, including \$4.8 million of right-of-use asset impairment charges. The Company recorded \$20.4 million of restructuring costs during the year ended December 31, 2024, of which \$11.2 million was related to employee transition, severance, employee benefits, and related costs and \$6.3 million was related to costs associated with office space reductions, including \$3.9 million of right-of-use asset impairment charges.

Subsequent to December 31, 2025 and as a result of its review of the business to drive further efficiency, better align resources, and improve profitability, the Company expects to incur pre-tax restructuring costs under its plan in the range of \$15.0 million to \$20.0 million for the year ending December 31, 2026, of which approximately \$9.0 million to \$11.0 million is expected to be incurred in the three months ending March 31, 2026. The charges will primarily relate to employee transition, severance, employee benefits, and other costs, including costs associated with office space reductions.

The portion of these expenses that are to be settled by cash disbursements was accounted for as a restructuring liability under the line item “Accrued expenses and other current liabilities” in the Company’s Consolidated Balance Sheets.

The table below summarizes the accrual and charges incurred and cash payments made with respect to the Company's restructurings, with the severance related portion included in the line item "Accrued compensation" and the lease termination and other related portion included in the line item "Accrued expenses and other current liabilities" in the Company's Consolidated Balance Sheets as of December 31, 2025 (in thousands):

	Restructuring Plan			
	Severance	Lease Termination	Other (1)	Total
Accrued Balance, December 31, 2023	\$ —	\$ 3,800	\$ —	\$ 3,800
Additions	11,156	2,361	2,857	16,374
Cash payments	(10,004)	(1,125)	(2,857)	(13,986)
Accrued Balance, December 31, 2024	1,152	5,036	—	6,188
Additions	12,718	1,230	12	13,960
Cash payments	(11,549)	(1,823)	(12)	(13,384)
Accrued Balance, December 31, 2025	<u>\$ 2,321</u>	<u>\$ 4,443</u>	<u>\$ —</u>	<u>\$ 6,764</u>

(1) Reflects amounts associated with other restructuring related costs.

Note 14. Common Stock and Stockholders' Equity

Stock Plans

The Company's 2023 Incentive Award Plan and 2023 Employment Inducement Incentive Award Plan (collectively, the "2023 Plans") provide for the issuance of incentive and non-statutory options and other equity-based awards to its employees and non-employee service providers. Previously, the Company's 2015 Incentive Award Plan, 2017 Employment Inducement Incentive Award Plan and Livongo Acquisition Incentive Award Plan (together with the 2023 Plans, collectively, the "Plans") also provided for the issuance of such awards. Under the 2023 Plans, there were 22,380,000 shares approved for issuance, of which 17,608,785 shares remain available for grant at December 31, 2025.

All stock-based awards to employees are measured based on the grant-date fair value and are generally recognized on a straight-line basis in the Company's consolidated statement of operations over the period during which the employee is required to perform services in exchange for the award (generally a four-year vesting period for each stock option and a three-year vesting period for each RSU).

Stock Options

Options issued under the Plans are exercisable for periods not to exceed 10 years, and vest and contain such other terms and conditions as specified in the applicable award document. Options to buy common stock are issued under the Plans, with exercise prices equal to the closing price of shares of the Company's common stock on the New York Stock Exchange on the date of award.

Stock option activity under the Plans was as follows (in thousands, except share, per share amounts, and years):

	Number of Shares Outstanding	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life in Years	Aggregate Intrinsic Value
Balance at December 31, 2024	2,402,529	\$ 28.56	3.90	\$ 346
Stock option grants	—	\$ —	N/A	
Stock options exercised	(11,575)	\$ 7.31	N/A	\$ 24
Stock options forfeited	(803,881)	\$ 30.34	N/A	
Balance at December 31, 2025	<u>1,587,073</u>	\$ 27.82	3.40	\$ 160
Vested or expected to vest at December 31, 2025	<u>1,587,073</u>	\$ 27.82	3.40	\$ 160
Exercisable at December 31, 2025	<u>1,472,501</u>	\$ 28.35	3.07	\$ 160

No options were granted during the year ended December 31, 2025. The total grant-date fair value of stock options granted during the years ended December 31, 2024 and 2023 was \$0.4 million and \$3.2 million, respectively.

The Company estimates the fair value of stock options granted using the Black-Scholes option-pricing model.

The assumptions used are determined as follows:

Volatility. The expected volatility was derived from the historical price volatility of the Company's stock over a period equivalent to the expected term of the stock option grants.

Expected Term. The expected term represents the period that the stock-based awards are expected to be outstanding. When establishing the expected term assumption, the Company utilizes historical data.

Risk-Free Interest Rate. The risk-free interest rate is based on U.S. Treasury zero-coupon issues with terms similar to the expected term on the options.

Dividend Yield. The Company has never declared or paid any cash dividends and does not plan to pay cash dividends in the foreseeable future, and therefore, it used an expected dividend yield of zero.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions and fair value per share:

	Year Ended December 31,		
	2025	2024	2023
Volatility	N/A	67.86% - 67.94%	65.60% - 68.20%
Expected term (in years)	N/A	4.3	4.3
Risk-free interest rate	N/A	3.85% - 3.90%	3.68%-4.67%
Dividend yield	N/A	0%	0%
Weighted-average fair value of underlying stock options	N/A	\$11.55	\$11.45

Restricted Stock Units

The fair value of RSUs is determined on the date of grant. The Company records compensation expense in the Consolidated Statement of Operations on a straight-line basis over the vesting period for RSUs. The vesting period for employees and members of the board of directors ranges from one to three years.

RSU activity under the Plans was as follows:

	RSUs	Weighted-Average Grant Date Fair Value Per RSU
Balance at December 31, 2024	7,298,676	\$ 19.72
Granted	6,571,414	\$ 9.23
Vested and issued	(4,307,312)	\$ 21.42
Forfeited	(1,771,863)	\$ 13.91
Balance at December 31, 2025	7,790,915	\$ 11.20
Vested and unissued at December 31, 2025	142,488	\$ 25.14
Non-vested at December 31, 2025	7,648,427	\$ 10.90

The total grant-date fair value of RSUs granted during the years ended December 31, 2025, 2024, and 2023 was \$60.7 million, \$79.7 million and \$196.4 million, respectively. The total intrinsic value of RSUs that vested during the years ended December 31, 2025, 2024 and 2023 was \$35.7 million, \$69.1 million and \$74.1 million, respectively.

Performance Stock Units

Stock-based compensation costs associated with PSUs are initially determined using the fair market value of the Company's common stock on the date the awards are granted (service inception date). The vesting of these PSUs is subject to certain performance conditions and a service requirement generally ranging from one to three years. Stock-based compensation costs associated with these PSUs are reassessed each reporting period based upon the estimated performance attainment on the reporting date until the performance conditions are met. The ultimate number of PSUs that vest is the result of the actual performance of the Company at the end of the performance period compared to the performance targets and generally range from 0% to 200% of the initial grant. Stock compensation expense for PSUs is recognized on an accelerated tranche by tranche basis for performance-based awards.

PSU activity under the Plans was as follows:

	Shares	Weighted-Average Grant Date Fair Value Per PSU
Balance at December 31, 2024	2,084,339	\$ 19.05
Granted	2,467,559	\$ 9.93
Vested and issued	(53,974)	\$ 26.73
Forfeited	(599,422)	\$ 12.34
Performance adjustment (1)	(797,040)	
Balance at December 31, 2025 (2)	3,101,462	\$ 10.80
Vested and unissued at December 31, 2025	—	\$ —
Non-vested at December 31, 2025	3,101,462	\$ 10.80

(1) Based on the Company's 2024 results, no PSUs were earned.

(2) The number of units outstanding reflects shares at target payout.

The total grant-date fair value of PSUs granted during the years ended December 31, 2025, 2024, and 2023 was \$24.5 million, \$28.5 million, and \$34.9 million, respectively. The total intrinsic value of PSUs that vested during the years ended December 31, 2025, 2024 and 2023 was \$0.4 million, \$3.8 million and \$3.0 million, respectively.

Employee Stock Purchase Plan

In July 2015, the Company adopted the 2015 ESPP in connection with its initial public offering. A total of 4,113,343 shares of common stock have been reserved for issuance under this plan as of December 31, 2025. The Company's ESPP permits eligible employees to purchase common stock at a discount through payroll deductions during defined offering periods. Under the ESPP, the Company may specify offerings with durations of not more than 27 months and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of its common stock will be purchased for employees participating in the offering. An offering may be terminated under certain circumstances. The price at which the stock is purchased is equal to the lower of 85% of the fair market value of the common stock at the beginning of an offering period or on the date of purchase.

During 2025, 2024, and 2023 the Company issued 537,709 shares, 591,690 shares, and 592,308 shares, respectively, under the ESPP. As of December 31, 2025, 1,671,382 shares remained available for issuance.

The following table reflects stock-based compensation expense by award type for the indicated periods (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Options	\$ 2,320	\$ 6,929	\$ 9,366
RSUs	73,297	134,678	181,023
PSUs	3,516	2,181	7,128
Employee stock purchase plan	1,281	2,163	4,033
Total stock-based compensation expense	<u>\$ 80,414</u>	<u>\$ 145,951</u>	<u>\$ 201,550</u>

Total compensation costs for stock-based awards were recorded as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cost of revenue (exclusive of depreciation and amortization, which are shown separately)	\$ 2,082	\$ 4,782	\$ 5,478
Advertising and marketing	4,894	12,575	15,300
Sales	13,817	24,807	35,448
Technology and development	17,477	34,855	58,336
General and administrative	42,144	68,932	86,988
Total stock-based compensation expense	80,414	145,951	201,550
Capitalized stock-based compensation	7,549	12,723	19,439
Total stock-based compensation	<u>\$ 87,963</u>	<u>\$ 158,674</u>	<u>\$ 220,989</u>

As of December 31, 2025, the Company had unrecognized compensation cost related to outstanding stock-based award as follows (dollars in thousands):

Award Type	Unearned Compensation	Weighted Average Remaining Life (Years)
Options	\$ 1,263	1.7
RSUs	\$ 63,521	1.7
PSUs	\$ 7,434	2.0

Note 15. Income Taxes

For financial reporting purposes, loss before provision for income taxes for the years ended December 31, 2025, 2024, and 2023 included the following components (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Domestic	\$ (232,317)	\$ (989,958)	\$ (192,665)
International	(3,213)	(3,695)	(26,943)
Total	<u>\$ (235,530)</u>	<u>\$ (993,653)</u>	<u>\$ (219,608)</u>

The provision for income taxes was comprised of the following components (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current federal	\$ (546)	\$ 1,344	\$ —
Current state	218	3,892	1,439
Current foreign	6,527	3,501	1,225
Total current	6,199	8,737	2,664
Deferred federal	(34,178)	210	(3,946)
Deferred state	(4,750)	(784)	5,388
Deferred foreign	(2,479)	(571)	(3,346)
Total deferred	(41,407)	(1,145)	(1,904)
Provision for income taxes	<u>\$ (35,208)</u>	<u>\$ 7,592</u>	<u>\$ 760</u>

The provision for income taxes differs from the amount computed by applying the statutory federal income tax rate to income before provision for income taxes. The sources and tax effects of the differences are as follows (dollar amounts in thousands):

Expense/(Benefit)	Year Ended December 31,					
	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
U.S. federal statutory rate	\$ (49,461)	21.0 %	\$ (208,667)	21.0 %	\$ (46,118)	21.0 %
State and local income taxes, net of federal income tax effect (1)	(3,687)	1.6	(2,251)	0.2	7,459	(3.4)
Foreign tax effects						
Canada						
Valuation allowances	3,868	(1.6)	1,900	(0.2)	3,117	(1.4)
Other	(1,900)	0.8	200	0.0	50	0.0
Australia						
Goodwill impairment	2,651	(1.1)	—	0.0	—	0.0
Other	12	0.0	(400)	0.0	23	0.0
Other foreign jurisdictions						
Other	63	0.0	1,949	(0.3)	371	(0.1)
Tax credits						
Research & development tax credits	(7,354)	3.1	—	0.0	—	0.0
Foreign tax credits	873	(0.4)	1,136	(0.1)	1,439	(0.7)
Changes in valuation allowances	20,873	(8.9)	(5,095)	0.5	2,020	(0.9)
Nontaxable or nondeductible items						
Goodwill impairment	3,348	(1.4)	165,900	(16.7)	—	0.0
Stock compensation	14,072	(6.0)	43,153	(4.3)	35,166	(16.0)
Other	1,490	(0.6)	422	0.0	(1,593)	0.7
Changes in unrecognized tax benefits	(20,056)	8.5	9,345	(0.9)	(1,174)	0.5
Effective tax rate	<u>\$ (35,208)</u>	<u>15.0 %</u>	<u>\$ 7,592</u>	<u>(0.8)%</u>	<u>\$ 760</u>	<u>(0.3)%</u>

(1) State taxes in Texas, California, Illinois, and Pennsylvania made up greater than 50 percent of the tax effect in state and local taxes.

The Company's deferred tax assets and liabilities consisted of the following (in thousands):

	As of	
	December 31, 2025	December 31, 2024
Deferred tax assets:		
Net operating loss carryforwards	\$ 541,845	\$ 541,791
Accrued expenses and compensation	8,984	5,308
Stock-based compensation	13,391	16,747
Foreign tax credits and alternative minimum tax credits	—	873
Research and development credits	29,271	—
Depreciation of property and equipment	1,615	2,144
Operating lease assets	10,419	10,065
Deferred revenue	3,272	3,941
Capitalized research and development	60,588	65,382
Goodwill	9,674	—
Other	16,861	17,286
Deferred tax assets	695,920	663,537
Valuation allowance	(453,423)	(416,701)
Net deferred tax assets	242,497	246,836
Deferred tax liabilities:		
Operating lease assets	(4,878)	(5,068)
Intangible assets	(256,485)	(284,774)
Other	(10,079)	(6,845)
Deferred tax liabilities	(271,442)	(296,687)
Net deferred tax liabilities	\$ (28,945)	\$ (49,851)

As of December 31, 2025, the Company had approximately \$2,128.2 million of federal net operating loss (“NOL”) carryforwards, \$1,155.2 million of state NOL carryforwards, and \$99.2 million of foreign NOL carryforwards. The federal NOL carryforwards of \$2,128.2 million generated after December 31, 2017 will carry forward indefinitely. A portion of the state and foreign NOL carryforwards will begin to expire in 2026. As of December 31, 2025, the Company had no foreign tax credits. As of December 31, 2025, the Company had \$29.3 million federal and state research and development credits.

As of December 31, 2025, the Company had a valuation allowance of approximately \$453.4 million against a portion of the U.S. and certain foreign deferred tax assets, for which realization cannot be considered more likely than not at this time. The valuation allowance increased by \$36.7 million from December 31, 2024 due to a reduction of sources of future taxable income related to decreasing deferred tax liabilities.

The cash paid for income taxes, net of refunds, was comprised of the following components (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Federal	\$ 1,200	\$ 600	\$ —
State	3,237	4,390	5,841
Foreign	4,308	3,956	1,397
Total	<u>\$ 8,745</u>	<u>\$ 8,946</u>	<u>\$ 7,238</u>

State income taxes paid, net of refunds, that were greater than 5% of total income taxes paid

Texas	\$ 868	\$ —	\$ 1,500
Illinois	\$ 280	\$ 700	\$ 1,060
Pennsylvania	\$ 282	\$ 563	\$ 1,330
California	\$ 509	\$ 909	\$ —

Foreign income taxes paid, net of refunds, that were greater than 5% of total income taxes paid

Canada	\$ 804	\$ 1,098	\$ 967
Spain	\$ 2,293	\$ 467	\$ —
Portugal	\$ —	\$ 453	\$ —
United Kingdom	\$ 953	\$ 1,447	\$ —

The following table presents a reconciliation of the beginning and ending amount of the gross unrecognized tax benefits for the years ended December 31, 2025, 2024, and 2023 (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Balance at beginning of the period	\$ 191,308	\$ 171,566	\$ 143,798
Unrecognized tax benefits assumed in a business combination	—	—	—
Additions based on current year tax positions	20,050	8,725	6,677
(Reductions) additions based on prior year tax positions	(6,423)	11,017	21,091
Statute of limitations expirations	—	—	—
Releases	(21,086)	—	—
Balance at end of the period	<u>\$ 183,849</u>	<u>\$ 191,308</u>	<u>\$ 171,566</u>

The amount of unrecognized tax benefits as of December 31, 2025 that, if recognized, would reduce tax expense was approximately \$183.8 million.

The Company files tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions in the U.S. and other countries, where applicable. The Company is open under the U.S. federal statute from 2021 to the present, although earlier years may be examined to the extent that loss carryforwards are used in open audit periods. The Company is currently not under audit by the IRS or in any foreign tax jurisdictions. One state is currently under audit in the United States. There are no tax matters under discussion with taxing authorities that are expected to have a material effect on the Company's consolidated financial statements. The Company further believes that it has made adequate provision for all income tax uncertainties.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was signed into law, introducing significant federal tax changes, including the restoration of immediate expensing for domestic research and experimental (“R&E”) expenditures under new Section 174A beginning with tax years starting January 1, 2025. This change eliminates the prior requirement to amortize domestic R&E costs over five years for post-2021 expenditures and allows companies to deduct qualifying U.S.-based R&D expenses in the year incurred. The Company has evaluated the impacts of OBBBA, including the reinstated immediate deduction for domestic R&D activities and related implementation considerations. Based on the Company's current operations, projected R&D spending profile, and the transitional mechanics affecting 2022–2024 R&D

balances described in the legislation, the Company does not expect these provisions to have a material impact on its consolidated financial statements. The Company will continue to monitor future guidance and any state-level conformity developments, but no material effects are anticipated at this time.

During 2021, the Organization for Economic Co-operation and Development announced an agreed framework for “Pillar Two” and released detailed model rules for a global minimum corporate tax rate of fifteen percent (15%) which requires multilateral agreement(s) and/or country-specific legislative action to be effective. A few jurisdictions have implemented legislation with effective dates spanning from 2024 through 2026. The Company will continue to monitor further legislation by individual countries and is currently evaluating the potential impact of Pillar Two to its business in future periods. However, the Company is not likely to have any material Pillar Two liability.

Note 16. Net Loss per Share

Basic net loss per share is computed by dividing the net loss by the weighted-average number of shares of common stock of the Company outstanding during the period. Diluted net loss per share is computed by giving effect to all potential shares of common stock of the Company, including outstanding stock options and convertible notes, to the extent dilutive. Basic and diluted net loss per share was the same for each period presented as the inclusion of all potential shares of common stock of the Company outstanding would have been anti-dilutive. As of December 31, 2025, the Company had 1.6 million outstanding stock options, 7.8 million outstanding RSUs, and 3.1 million outstanding PSUs.

The following table presents the calculation of basic and diluted net loss per share for the Company’s common stock (in thousands, except shares and per share data):

	Year Ended December 31,		
	2025	2024	2023
Net loss	\$ (200,322)	\$ (1,001,245)	\$ (220,368)
Weighted-average shares used to compute basic and diluted net loss per share	176,221,530	170,564,088	164,578,219
Net loss per share, basic and diluted	\$ (1.14)	\$ (5.87)	\$ (1.34)

Note 17. 401(k) Plan

The Company has 401(k) plans that qualify as deferred compensation arrangements under Internal Revenue Code Section 401. In general, all U.S. employees over the age of 21 are eligible to participate, with the Company contributing up to 100% of eligible employee’s elective deferral and up to 4% of \$0.4 million of eligible earnings. The Company made matching contributions to participants’ accounts totaling \$13.9 million, \$14.7 million, and \$13.4 million during the years ended December 31, 2025, 2024, and 2023, respectively.

Note 18. Commitments and Contingencies

Commitments

The Company has contractual obligations to make future payments related to its outstanding convertible senior notes, which are presented in Note 11. “Debt” and its long-term operating leases, which are presented in Note 12. “Leases.”

Legal Matters

From time to time, Teladoc Health is involved in various litigation matters arising in the normal course of business, including the matters described below. The Company consults with legal counsel on those issues related to litigation and seeks input from other experts and advisors with respect to such matters. Estimating the probable losses or a range of probable losses resulting from litigation, government actions, and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve discretionary amounts, present novel legal theories, are in the early stages of the proceedings, or are subject to appeal. Whether any losses, damages, or remedies ultimately resulting from such matters could reasonably have a material effect on the Company’s business, financial condition, results of operations, or cash flows will depend on a number of variables, including, for example, the timing and amount of such losses or damages (if any) and the structure and type of any such remedies. As of the date of these financial statements, Teladoc Health’s management does not expect

any litigation matter to have a material adverse impact on its business, financial condition, results of operations, or cash flows.

On June 6, 2022, a purported securities class action complaint (*Schneider v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period October 28, 2021 through April 27, 2022. The complaint asserted violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's business, operations, and prospects. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On August 2, 2022, a duplicative purported securities class action complaint (*De Schutter v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Eastern District of New York, which was consolidated with the *Schneider* case in the Southern District court under the caption *In re Teladoc Health, Inc. Securities Litigation*. The lead plaintiff subsequently filed amended complaints that expanded the alleged class period to February 11, 2021 to July 27, 2022. On July 5, 2023, the court granted the defendants' motion to dismiss the complaint, and on September 24, 2024 the U.S. Court of Appeals for the Second Circuit affirmed in part, and vacated in part, the Southern District court's dismissal and remanded for further proceedings. On March 21, 2025, the court granted the defendant's renewed motion to dismiss, and on July 25, 2025 the lead plaintiff filed an appeal of the Southern District Court's dismissal in the United States Court of Appeals for the Second Circuit. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the lawsuit vigorously.

There have been multiple putative class-action lawsuits filed against the Company's subsidiary BetterHelp, Inc. ("BetterHelp") in connection with the consent order that BetterHelp entered into with the U.S. Federal Trade Commission in July 2023. The actions have been filed in California federal and state courts and in Canada. The cases are substantially similar, involving allegations of misleading patients as to BetterHelp's use of patient data and associated alleged violations of law involving privacy, advertising, contract, and tort. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuits vigorously.

On February 13, 2023, Data Health Partners, Inc. ("Data Health Partners") filed a lawsuit against the Company in the U.S. District Court for the District of Delaware alleging that certain of the Company's products, including its blood glucose meter, infringe upon certain patents held by Data Health Partners and seeking unspecified damages, attorney's fees and costs. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuit vigorously.

On May 17, 2024, a purported securities class action complaint (*Stary v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's current and former officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period November 2, 2022 through February 20, 2024. The complaint asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's advertising spend on BetterHelp. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On July 15, 2024, a duplicative purported securities class action complaint (*Waits v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in *Waits* were substantially similar to those in *Stary*, and the *Stary* and *Waits* actions were consolidated. On December 10, 2024, the District Court appointed co-lead plaintiffs, and, on February 24, 2025 the lead plaintiffs filed an amended complaint that asserts Exchange Act claims for a putative class of shareholders who purchased or acquired stock between July 26, 2023 and February 20, 2024. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the lawsuits vigorously, including through the filing of a motion to dismiss the complaint on June 20, 2025.

On June 18, 2024, a verified shareholder derivative complaint (*Roy v. Gorevic, et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company as a nominal defendant and certain of the Company's current and former officers and directors. The complaint asserts violations of Sections 10(b) and 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, waste of corporate assets, gross mismanagement and abuse of control in connection with factual assertions similar to those in the purported securities class action complaint described in the preceding paragraph. The complaint seeks damages to the Company allegedly sustained as a result of the acts and omissions of the named officers and directors and seeks an order directing the Company to reform and improve the Company's corporate governance. On October 4, 2024 the parties

agreed, and the Court ordered, to stay all proceedings until any motion to dismiss filed in the purported securities class action complaint described above is granted with prejudice and any appeals therefrom are resolved, or any defendant files an answer in the purported securities class action complaint described above. On October 1, 2024, a duplicative verified stockholder derivative complaint (Brigman, *et al.* v. Daniel, *et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in Brigman are substantially similar to those in Roy, and also alleges insider trading violations and misappropriation of information against certain defendants. On April 7, 2025 the parties agreed, and the Court ordered, to stay all proceedings until any motion to dismiss filed in the purported securities class action complaint described above is granted with prejudice and any appeals therefrom are resolved, or any defendant files an answer in the purported securities class action complaint described above. The named directors and officers have not yet responded to the complaints.

Note 19. Segments

ASC Subtopic 280-10, “*Segment Reporting*,” establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker (“CODM”) in deciding how to allocate resources and assess performance. The Company’s Chief Executive Officer is the CODM and is responsible for reviewing financial information presented on a segment basis for purposes of making operating decisions and assessing financial performance.

The CODM measures and evaluates segments based on segment operating revenues, segment expenses, and Adjusted EBITDA. The CODM reviews annual-operating-plan-to-actual variances for these measures on a regular basis to assess the performance of the segments and to make decisions about allocating resources. The Company does not include the following items in segment expenses and Adjusted EBITDA: provision for income taxes; interest income; interest expense; other expense (income), net; depreciation of property and equipment; amortization of intangible assets; restructuring costs; acquisition, integration, and transformation charges; goodwill impairment; and stock-based compensation. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net loss and are included in the reconciliations that follow.

The Company’s computation of segment Adjusted EBITDA may not be comparable to other similarly titled metrics computed by other companies because all companies do not calculate segment Adjusted EBITDA in the same fashion.

Operating revenues and expenses directly associated with each segment are included in determining its operating results. Other expenses that are not directly attributable to a particular segment are based upon allocation methodologies, including the following: revenue, headcount, time and other relevant usage measures, and/or a combination of such.

The Company has two reportable segments: Integrated Care and BetterHelp. The Integrated Care segment includes a suite of global virtual medical services including general medical, expert medical services, specialty medical, chronic condition management, mental health, and enabling technologies and enterprise telehealth solutions for hospitals and health systems. The BetterHelp segment includes virtual therapy and other wellness services provided on a global basis which are predominantly marketed and sold on a direct-to-consumer basis.

The CODM does not review any information regarding total assets on a segment basis. Segments do not record intersegment revenues, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for the Company as a whole.

The following tables present the financial results of the Company's reportable segments, along with reconciliations of the segments' total consolidated Adjusted EBITDA to the consolidated net loss for the periods indicated (in thousands):

Year Ended December 31, 2025	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 1,579,610	\$ 950,367	\$ 2,529,977
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	516,326	253,185	
Advertising and marketing, exclusive of stock-based compensation (1)	130,023	518,455	
Other segment expenses (2)	694,039	136,854	
Adjusted EBITDA	<u>\$ 239,222</u>	<u>\$ 41,873</u>	281,095
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			80,414
Goodwill impairments			71,763
Acquisition, integration, and transformation costs			9,010
Restructuring costs			18,785
Amortization of intangible assets			350,764
Depreciation of property and equipment			13,314
Other expense (income), net			(10,369)
Interest expense			19,714
Interest income			(36,770)
Loss before provision for income taxes			(235,530)
Provision for income taxes			(35,208)
Net loss			<u>\$ (200,322)</u>

Year Ended December 31, 2024	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 1,528,870	\$ 1,040,704	\$ 2,569,574
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	474,955	271,533	
Advertising and marketing, exclusive of stock-based compensation (1)	134,453	558,759	
Other segment expenses (2)	686,560	132,603	
Adjusted EBITDA	<u>\$ 232,902</u>	<u>\$ 77,809</u>	310,711
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			145,951
Goodwill impairments			790,000
Acquisition, integration, and transformation costs			1,743
Restructuring costs			20,355
Amortization of intangible assets			363,365
Depreciation of property and equipment			10,183
Other expense (income), net			6,035
Interest expense			23,803
Interest income			(57,071)
Loss before provision for income taxes			(993,653)
Provision for income taxes			7,592
Net loss			<u>\$ (1,001,245)</u>

Year Ended December 31, 2023	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 1,468,794	\$ 1,133,621	\$ 2,602,415
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	440,996	313,572	
Advertising and marketing, exclusive of stock-based compensation (1)	131,738	541,815	
Other segment expenses (2)	704,189	141,985	
Adjusted EBITDA	<u>\$ 191,871</u>	<u>\$ 136,249</u>	328,120
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			201,550
Goodwill impairments			—
Acquisition, integration, and transformation costs			21,110
Restructuring costs			16,942
Amortization of intangible assets			325,933
Depreciation of property and equipment			11,138
Other expense (income), net			(4,445)
Interest expense			22,282
Interest income			(46,782)
Loss before provision for income taxes			(219,608)
Provision for income taxes			760
Net loss			<u>\$ (220,368)</u>

- (1) The significant segment expense categories and amounts align with the information that is regularly provided to the CODM.
- (2) Other segment expenses for the corresponding reportable segment includes sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

Geographic data for long-lived assets (representing property and equipment, net) were as follows (in thousands):

	As of	
	December 31, 2025	December 31, 2024
United States	\$ 22,796	\$ 25,686
International	4,176	3,801
Total long-lived assets	<u>\$ 26,972</u>	<u>\$ 29,487</u>

Corporate information

DIRECTORS

Kenneth H. Paulus (Chairman)

Former President & Chief Executive Officer,
Prime Therapeutics

Charles Divita, III

Chief Executive Officer and Interim Principal
Financial Officer, Teladoc Health

Sandra L. Fenwick

Retired Chief Executive Officer,
Boston Children's Hospital

Catherine A. Jacobson

Former Chief Executive Officer,
Froedtert ThedaCare Health

Susan R. Salka

Retired Chief Executive Officer
and President, AMN Healthcare

David L. Shedlarz

Retired Vice Chairman, Executive Vice President
and Chief Financial Officer, Pfizer

Mark D. Smith, MD, MBA

Clinical Professor of Medicine,
University of California at San Francisco
and a board-certified internist

Michael S. Smith

Executive Chair, Talcott Financial Group

David B. Snow, Jr.

Chairman and Chief Executive Officer,
Cedar Gate Technologies

EXECUTIVE OFFICERS

Charles Divita, III

Chief Executive Officer and
Interim Principal Financial Officer

Kelly Bliss

President, U.S. Group Health

Fernando Madeira

President of BetterHelp

Carlos Nueno

President, International

Adam Vandervoort

Chief Legal Officer and Secretary

STOCK LISTING

Teladoc Health common stock is
traded on the New York Stock Exchange.
The Teladoc Health ticker symbol is **TDOC**.

CORPORATE HEADQUARTERS

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TRANSFER AGENT

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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CORPORATE WEBSITE

TeladocHealth.com



Learn more: TeladocHealth.com | 203-635-2002 | NYSE: TDOC

Teladoc Health is the global leader in virtual care. The company is delivering and orchestrating care across patients, care providers, platforms and partners—transforming virtual care into a catalyst for how better health happens. Through its relationships with health plans, employers and health systems, Teladoc Health fuels clinical excellence and applies the power of technology to help people live their healthiest lives.

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