

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): March 20, 2024

Arhaus, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

001-41009
(Commission File Number)

87-1729256
(I.R.S. Employer Identification Number)

51 E. Hines Hill Road, Boston Heights, Ohio

(Address of Principal Executive Offices)

44236

(Zip Code)

(440) 439-7700

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class
Class A common stock, \$0.001 par value per share

Trading Symbol
ARHS

Name of each exchange on which registered
The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Exchange Act of 1934.

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.

Item 7.01 Regulation FD Disclosure

On March 20, 2024, Arhaus, Inc. (the "Company") issued an Investor Presentation. A copy of this presentation is attached hereto as Exhibit 99.1 and is incorporated herein by reference. This presentation, as well as similar presentations that the Company may issue in the future, will be posted in the Investor Relations section of the Company's website: ir.arhaus.com.

The information contained in this Current Report on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. The information contained in this Current Report on Form 8-K shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Arhaus, Inc. Investor Presentation
104	Cover Page with Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 20th day of March, 2024.

ARHAUS, INC.

By: /s/ Dawn Phillipson

Name: Dawn Phillipson

Title: Chief Financial Officer



ARHAUS

INVESTOR PRESENTATION | MARCH 2024

NOTE ON FORWARD-LOOKING STATEMENTS:

Certain statements contained herein are not based on historical fact and are "forward-looking statements" within the meaning of applicable securities laws.

Forward-looking statements can generally be identified by the use of forward-looking terminology, including, but not limited to, "may," "could," "seek," "guidance," "predict," "potential," "likely," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," "forecast," or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Past performance is not a guarantee of future results or returns and no representation or warranty is made regarding future performance. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond our control that could cause our actual results, performance or achievements to be materially different from the expected results, performance or achievements expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to: our ability to manage and maintain the growth rate of our business; our ability to obtain quality merchandise in sufficient quantities; disruption in our receiving and distribution system, including delays in the integration of our distribution centers and the possibility that we may not realize the anticipated benefits of multiple distribution centers; the possibility of cyberattacks and our ability to maintain adequate cybersecurity systems and procedures; loss, corruption and misappropriation of data and information relating to clients and employees; changes in and compliance with applicable data privacy rules and regulations; risks as a result of constraints in our supply chain; a failure of our vendors to meet our quality standards; declines in general economic conditions that affect consumer confidence and consumer spending that could adversely affect our revenue; our ability to anticipate changes in consumer preferences; risks related to maintaining and increasing Showroom traffic and sales; our ability to compete in our market; our ability to adequately protect our intellectual property; compliance with applicable governmental regulations; effectively managing our eCommerce business and digital marketing efforts; our reliance on third-party transportation carriers and risks associated with increased freight and transportation costs; and compliance with SEC rules and regulations as a public reporting company. These factors should not be construed as exhaustive.

Further information on potential factors that could affect the financial results of the Company and its forward-looking statements is included in the Company's filings with the Securities and Exchange Commission. The Company assumes no obligation to update any forward-looking statement, except as may be required by law. These forward-looking statements speak only as of the date of this presentation. All forward-looking statements are qualified in their entirety by this cautionary statement.

OUR MISSION

We were founded in 1986 on a simple idea: **furniture should be responsibly sourced, lovingly made and built to last.**

Today, we partner directly with artisans around the world who share our vision, creating premium and heirloom-quality home furnishings that clients can use for generations.

We believe Retail is Theater and that furniture should be made for everyday life. Our 90+ showrooms across the U.S. and our website are designed with the same attention to quality and artisan craftsmanship to showcase our unique, eclectic product offerings and to inspire a livable luxury lifestyle.

John Reed with some of our Italian vendor artisans, whom we have partnered with for over 20 years





THE GREEN INITIATIVE

Arhaus was founded on environmentally conscious beliefs. Today, we're committed to using sustainable materials whenever we can, working with artisans who share our vision to create heirloom-quality pieces that can be passed down for generations.

TOGETHER WE WILL
MAKE A DIFFERENCE

COMMITMENT TO BEING RESPONSIBLE

ROOTED IN SUSTAINABILITY.

BEAUTIFULLY MADE, SUSTAINABLY SOURCED.

10 YEARS, ONE MILLION TREES.

TOGETHER FOR A CLEAN OCEAN.

\$10 MILLION COMMITMENT IN 2023 TO THE
NATURE CONSERVANCY TO PROTECT CRITICAL
RAINFORESTS IN BORNEO, INDONESIA.

EVERY DONATION MAKES A DIFFERENCE.

COMPANY OVERVIEW

OUR COMPANY¹

92
SHOWROOMS

29
STATES

2,200+
EMPLOYEES

OUR FINANCIAL PROFILE

\$1.3B
FULL YEAR 2023
NET REVENUE

\$203M
FULL YEAR 2023
ADJUSTED EBITDA²

STRONG
DEBT-FREE
BALANCE SHEET¹

OUR MOMENTUM

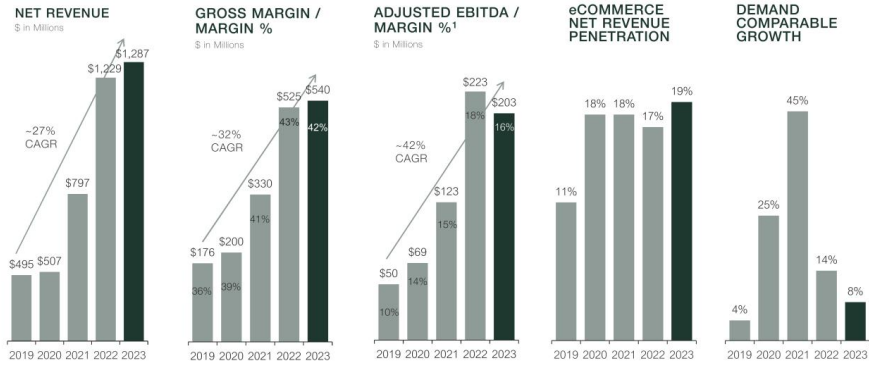
100th
Showroom will
open 2024

Expect
~\$1.35B
FULL YEAR 2024
NET REVENUE³

¹As of December 31, 2023. ²Adjusted EBITDA is a non-GAAP measure and is reconciled to its closest GAAP measure within the Appendix. ³Based on mid-point of Full Year 2024 Outlook as of March 7, 2024.

RECENT FINANCIAL PERFORMANCE

We have experienced meaningful growth in Net Revenue, Gross Margin, Adjusted EBITDA¹ and eCommerce over recent years, while maintaining a debt-free balance sheet.



¹Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures and are reconciled to their closest GAAP measure within the Appendix.

RESILIENT MODEL

PRODUCT	MARKETING	SHOWROOMS	INFRASTRUCTURE
ON-TREND, INNOVATIVE PRODUCT	INSPIRATIONAL	ASPIRATIONAL	SIGNIFICANT CAPACITY TO DRIVE GROWTH
CONSISTENTLY REFRESHED	RESONATES WITH CLIENT AESTHETIC	TAILORED, CLIENT-FOCUSED EXPERIENCE	WEBSITE ENHANCEMENTS DRIVE ENGAGEMENT

THE PREMIUM HOME FURNISHINGS MARKET¹ IS HIGHLY FRAGMENTED, LARGE AND RAPIDLY GROWING

U.S. PREMIUM HOME FURNITURE MARKET¹



ARHAUS²
<2% MARKET SHARE

RAPIDLY GROWING & HIGHLY FRAGMENTED

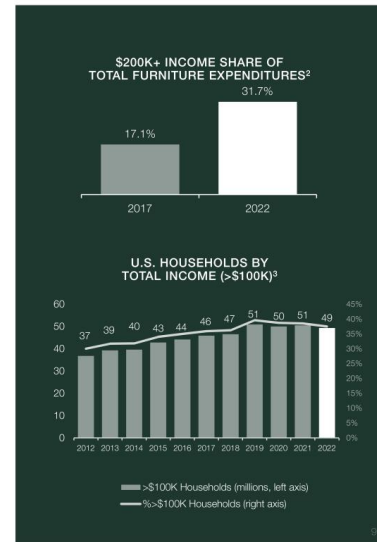
- Total addressable market of ~\$100 billion
- Highly fragmented and predominantly served by small local players
- Premiumization of consumers – buyers from all income levels are shifting towards more premium purchases
- Growth of digital and omni-channel favors larger players

Source: Based on management estimates, third-party estimates of retail sales in 2021 and 2022, publicly available industry data and our internal research.
¹Refers to the high-end home furniture industry, which we believe is the portion of the market with higher than industry average merchandise price points and quality.

STRONG INDUSTRY AND MARKET TAILWINDS DRIVING GROWTH

- Three primary drivers of furniture and decor purchases¹:
 1. In-home refresh and replacement
 2. Remodeling
 3. Home turnover
- High income households growing – disproportionately large share of wallet
- Higher consumer confidence among affluent customers
- Increase in suburbanization – larger homes support spend on premium
- Wealth effect and elevated home values / home equity
- We expect home furnishing eCommerce penetration to increase over the next few years which we believe will accelerate growth in our omni-channel model

¹Source: Based on management estimates, publicly available industry data and our internal research.
²Source: U.S. Bureau of Labor Statistics, Table 1203.
³Source: U.S. Census Bureau (2022), HNC-01, Table A-2.



ARHAUS

INVESTMENT HIGHLIGHTS



INVESTMENT HIGHLIGHTS

1

A Differentiated
Concept Delivering
Livable Luxury

2

Strong Product
Design and Direct
Global Sourcing
Partnerships

3

Highly Experiential
Omni-Channel
Approach

4

Multiple Avenues for
Sustainable Growth

ARHAUS
DIFFERENTIATION



PREMIUM LIFESTYLE BRAND
WITH A DIFFERENTIATED CONCEPT



EXCLUSIVELY-DESIGNED,
PREMIUM PRODUCTS

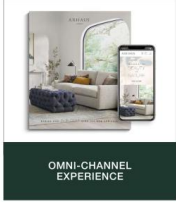
We focus on **livable luxury** with **artisan-crafted, globally curated collections** that are **directly sourced** with no wholesale or dealer markup



RETAIL IS THEATER

Our **inspirational showrooms** are truly unique, providing the opportunity to experience the furniture in a **premium, aspirational space**

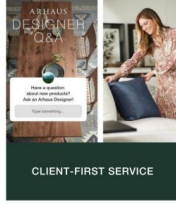
Product assortments are optimized for local markets and **updated multiple times per year**



OMNI-CHANNEL
EXPERIENCE

Our **digital and catalog experience is an extension of our showrooms**, allowing clients to seamlessly engage with our brand across channels

We strive to be **available wherever, whenever and however our clients wish to interact**



CLIENT-FIRST SERVICE

We are focused on clients first and our offering embodies **personalization and customization**

Our approach to clients **differentiates us from competitors** in that we learn **how our clients live and provide** products that are valued and work for our clients' needs

We are a differentiated concept, redefining the premium home furnishings market by offering an attractive combination of design, quality, value and convenience.

LIVABLE LUXURY

We believe in creating beautiful and comfortable furniture made to fit your life.

PERFORMANCE FABRIC

BUILT TO LAST

SUSTAINABLE MATERIALS

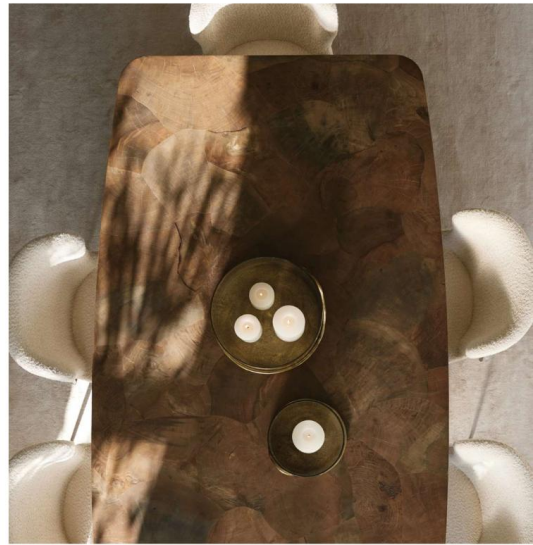
COMFORT

ECLECTIC STYLE



ARHAUS

EXCLUSIVE PRODUCT DESIGN AND
DIRECT SOURCING



ARTISAN-QUALITY PRODUCT OFFERING

Arhaus is known for heirloom-quality, unique, artisan-crafted furniture and décor. Our product is designed to be beautiful and made for everyday life. We believe that furniture should withstand kids, pets, and dinner parties and be enjoyed for generations.



THE BELL'ARTE COLLECTION
COUNTRY OF ORIGIN: ITALY

- Over 20 years ago, we discovered a small family-run artisan woodworking shop in Northern Italy.
- Skilled artisans use generations old techniques and the finest materials to handcraft and customize each-and-every piece.
- Together, we have developed countless designs over the years, including the launch of our Bell'Arte collection in 2014, delivering beautiful, high quality Italian woodwork.



THE KIPTON COLLECTION
COUNTRY OF ORIGIN: UNITED STATES

- Hand-crafted in North Carolina at our in-house upholstery facility.
- Collection is made from sustainably sourced wood frames, recycled steel and premium fibers.
- Available to be customized in multiple configurations and depths, hundreds of fabrics and leathers and with a straight or rolled arm.
- Incredibly comfortable and can be made just for the client.

DIRECT SOURCING DRIVES COMPETITIVE ADVANTAGE

Our direct sourcing model allows us to scale artisan production to meet increasing demand and bypass wholesaler markups.

DEEP ROOTED RELATIONSHIPS

- Over 400 vendors
- Direct sourcing relationships – no wholesale markup
- Flexible speed to market
- ~40% of net revenue from North America¹
- Very strategic partners
- ~60% of net revenue from top 10 vendors²
- Some with decades long partnerships

COMPETITIVE ADVANTAGE

- ✓ QUALITY AND AESTHETIC
- ✓ PERSONALIZATION AND CUSTOMIZATION
- ✓ SCALED ARTISAN PRODUCT
- ✓ PROFITABILITY

Better Consumer / Designer Friendly Proposition

¹ For the year ending December 31, 2023. ² Reflects top 10 vendors in 2023 including our own upholstery production facility.

INTERNAL MANUFACTURING AT ARHAUS

In 2015, we acquired a high-end upholstered furniture manufacturer, providing secure upholstery supply, differentiated customization, quality control and increased leverage with other suppliers.

Customization allows for hundreds of different options with fabrics and product options.

Arhaus has an on-site product development function to work closely with our in-house design team to develop and refine new product offerings.









~11%
OF 2023 NET REVENUE

2X
RECENT PRODUCTION
EXPANSION ENABLED US
TO DOUBLE CAPACITY

ARHAUS
OMNI-CHANNEL APPROACH



OMNI-CHANNEL ECOSYSTEM

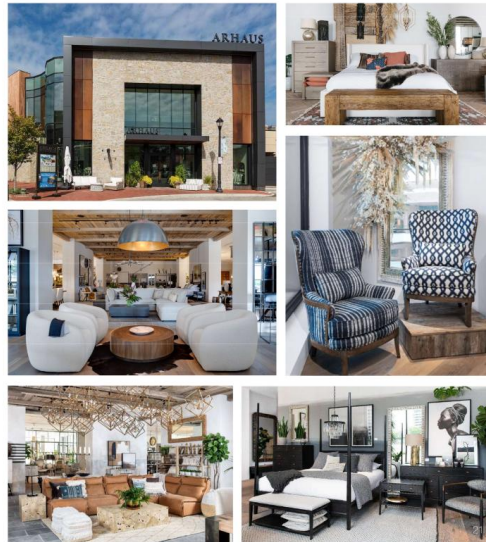
<p>SHOWROOM</p> 	<p>eCOMMERCE</p> 	<p>CATALOG AND MARKETING</p> 
<p>IN-HOME DESIGNER SERVICES</p> 	<p>TRADE PROGRAM</p> 	<p>DIGITAL TOOLS</p> 



THEATER-LIKE SHOWROOMS

Our visually captivating, theater-like showrooms drive brand awareness and create meaningful marketing buzz and revenue uplift when opened in new markets.

- Showrooms drive in-showroom revenue as well as eCommerce revenue
- Theater-like and inspirational atmosphere that helps clients reimagine their homes
- Design centers within showrooms enable us to advise the client on our expansive customization capabilities
- Our omni-channel approach enables Design Consultants to utilize in-showroom technology to collaborate with products online
- Knowledgeable showroom team guides clients throughout the store and our many collections



ADEPT AND KNOWLEDGEABLE SHOWROOM TEAM

Visual Managers work to **create the “wow” showroom experience.**

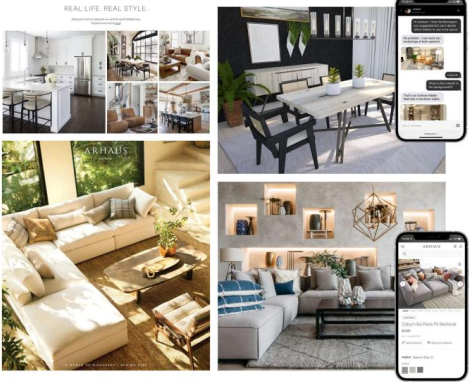
Design Consultants are expertly trained to meet the clients' needs and are **highly knowledgeable about all products** offered in-showroom.

Weekly meetings and routine training enable the showroom team to **tell the stories behind the unique products we sell.**

Design Consultants are compensated on demand and operational metrics, driving each to **provide best-in-class client service.**



OMNI-CHANNEL CAPABILITIES
AND DIGITAL TOOLS



eCOMMERCE
IS OUR FASTEST GROWING
REVENUE CHANNEL

17%
GROWTH IN
eCOMMERCE NET
REVENUE IN 2023

19%
OF 2023 NET
REVENUE WAS
eCOMMERCE BASED

>34M
WEBSITE VIEWS
IN 2023

>1.2M
INSTAGRAM
FOLLOWERS

SPRING AND
FALL CATALOGS
ARE MAILED TO MILLIONS
OF HOUSEHOLDS

Many of our showroom clients engage
with us digitally prior to purchase

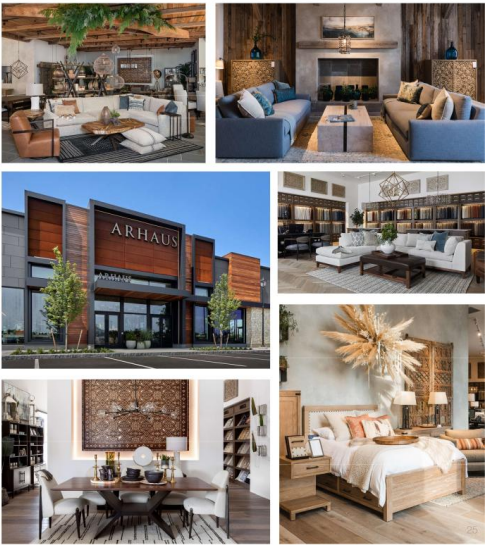
ARHAUS

GROWTH STRATEGIES



OUR GROWTH STRATEGIES

- 1 INCREASE BRAND AWARENESS TO DRIVE SALES
- 2 EXPAND OUR SHOWROOM BASE AND CAPTURE MARKET SHARE
- 3 ENHANCE OMNI-CHANNEL CAPABILITIES AND TECHNOLOGY TO DRIVE GROWTH
- 4 INVEST IN GROWTH TO BUILD SCALE AND ENHANCE MARGINS

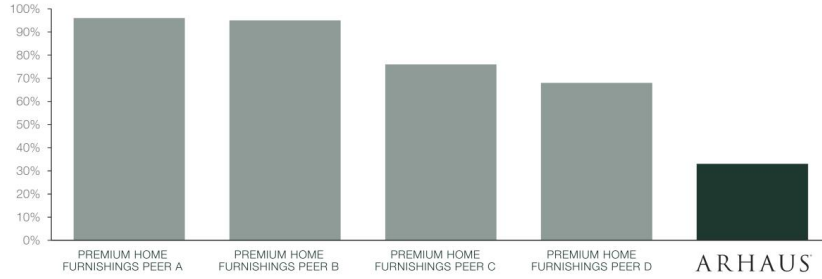


INCREASE BRAND AWARENESS TO DRIVE SALES: OPPORTUNITY

We believe Arhaus has an incredible brand awareness opportunity compared to competitors in the U.S. Premium Home Furnishings Market.¹ As we continue to grow our showroom footprint and to invest in our digital, catalog and other marketing channels, we see significant opportunity to gain market share.

BRAND AWARENESS

Percent of respondents²
N=812²



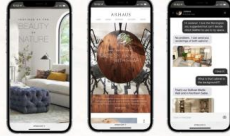
Source: Based on Management estimates informed by internal data, survey of marketers and third-party reports all conducted or reviewed in 2022. ¹Refers to the high-end home furniture industry, which we believe is the portion of the market with higher than industry average merchandise price points and quality.

BRAND AWARENESS OPPORTUNITY

SHOWROOM



DIGITAL



DIRECT MAIL



SOCIAL MEDIA



BRANDING INITIATIVES

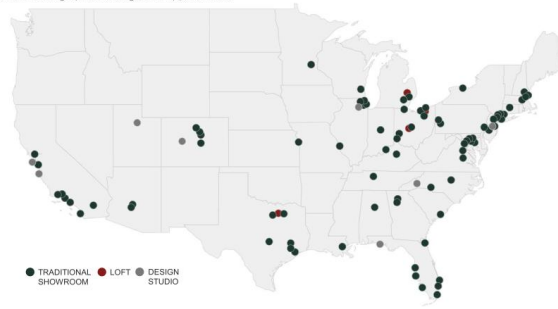


PRODUCT



SHOWROOM FOOTPRINT: TREMENDOUS WHITESPACE OPPORTUNITY

We select and develop new showrooms through analysis of specific market characteristics, client demographics and growth opportunities.



92 SHOWROOMS ¹	29 STATES ¹	80+ NEW TRADITIONAL SHOWROOM POTENTIAL	50+ NEW DESIGN STUDIO POTENTIAL
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¹As of December 31, 2023.

FORMAT STRATEGY

As leases approach renewal, we evaluate the location and typically relocate or renew the lease and remodel the format.

WE EXPECT TO OPEN AN AVERAGE ADDITIONAL 5 TO 7 NEW TRADITIONAL SHOWROOMS PER YEAR, PLUS INCREMENTAL DESIGN STUDIOS, FOR THE FORESEEABLE FUTURE.

28

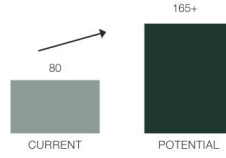
SHOWROOM GROWTH

In 2023, we opened 8 new traditional locations in Canoga Park, CA; Peabody, MA; Hartford, CT; Huntington Station, NY; Coral Gables, FL; Los Gatos, CA and Newport Beach, CA.

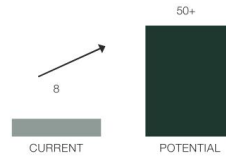
We also opened 2 new Design Studios in Asheville, NC and Naperville, IL and 1 Loft outlet location in Grapevine, TX.

In 2024, we expect to open 9 to 11 new Showrooms: 4 to 6 traditional locations, 2 to 3 Design Studios and 3 new Loft outlet locations.

TRADITIONAL SHOWROOM WHITESPACE POTENTIAL¹



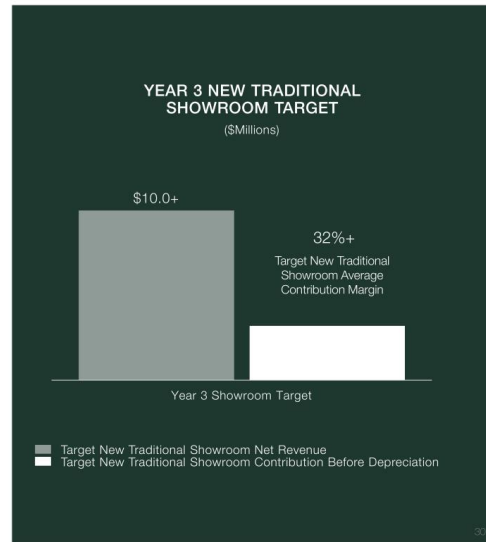
DESIGN STUDIO WHITESPACE POTENTIAL¹



¹As of December 31, 2023.

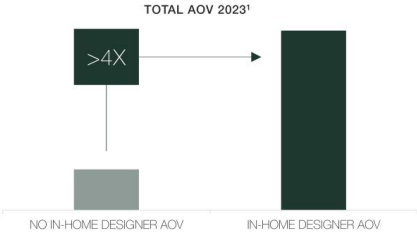
STRONG SHOWROOM ECONOMIC MODEL

- New showrooms have historically ramped quickly and generated strong returns on investment. When evaluating new Traditional Showrooms (~16,000 sq ft), we target minimum net revenue per new showroom of \$10M+, a target average showroom contribution margin of ~32%, with targeted payback on investment in less than two years.
- Our Design Studio format (~5,000 sq ft) targets a lower per showroom net revenue with a target average contribution margin of ~35% and a targeted payback on investment in less than two years.

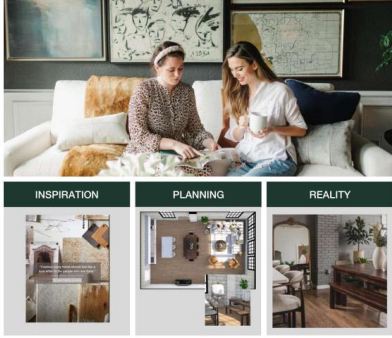


IN-HOME DESIGNER PROGRAM

We see significant opportunity to continue to expand our in-home designer program, expanding our coverage both in showrooms and virtually. Our differentiated in-home and online designers resonate with clients and drive AOV uplift.



Our **110 in-home designers in 78 showrooms²** offer complimentary in-home, in-showroom and virtual design services, which increases AOV.

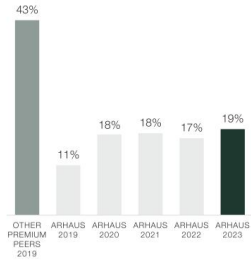


¹These in-home designers partner with our in-showroom design consultants to efficiently drive revenue and produce AOVs over four times that of a standard order.
²As of December 31, 2023.

ENHANCE OMNI-CHANNEL CAPABILITIES AND TECHNOLOGY TO DRIVE GROWTH

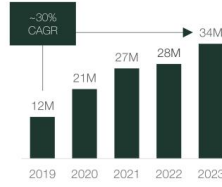
BENCHMARKING VS. PEERS IMPLIES ROBUST ECOMMERCE OPPORTUNITY

eCOMMERCE % OF NET REVENUE



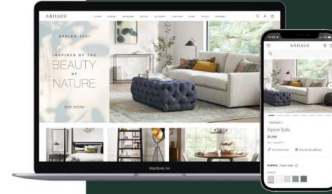
TRAFFIC

TRAFFIC: Website Visits



WEB SITE EXPERIENCE

- Optimized UX
- AI assisted product discovery
- Enhanced analytics
- ROI driven test and learn capabilities



INVESTING IN GROWTH TO BUILD SCALE AND ENHANCE MARGINS

VENDOR CAPACITY

- We have long-standing direct sourcing partnerships
- We are often among the most important customers
- Vendors have scaled up capacity to fulfill elevated demand



- ★ HEADQUARTERS - OFFICE AND DISTRIBUTION FACILITY
- DISTRIBUTION/MANUFACTURING FACILITY
- ▲ DISTRIBUTION FACILITY

SUPPLY CHAIN CAPACITY

- North Carolina facility opened in 2021 adds ~310,000 sq. ft. to distribution and ~190,000 sq. ft. dedicated to upholstery manufacturing
- Texas facility opened in 2022 adds ~800,000 sq. ft. to distribution capacity in the Western US
- Ohio facility expansion in 2022 adds ~200,000 sq. ft. for distribution capacity of more than 800,000 sq. ft.

OUR LONG TERM GROWTH GOALS¹

LONG TERM GOALS ²	
Total Revenue Growth	HIGH SINGLE DIGIT
Comparable Sales Growth	MID SINGLE DIGIT
Showroom Growth ³	MID-TO-HIGH SINGLE DIGIT
Traditional Showroom Opportunity	165+
Adjusted EBITDA Growth	LOW DOUBLE DIGIT

¹These are not projections or predictions of actual results; they are aspirational goals as of March 7, 2024 and are forward-looking, subject to significant business, economic, regulatory and competitive uncertainties and contingencies, many of which are beyond the control of the Company and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that these goals will be achieved and the Company undertakes no duty to update its goals. ²Long Term Goals are long-term compound annual growth rates. ³Showroom growth includes traditional showrooms, design studios and outlets.

ARHAUS
APPENDIX



RECONCILIATION FROM NET INCOME TO ADJUSTED EBITDA

(\$ in thousands)	For the Year Ended				
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019
Net income	\$ 125,239	\$ 136,634	\$ 36,932	\$ 17,040	\$ 15,842
(+) Interest expense (income), net	(3,351)	3,387	5,432	13,057	13,449
(+) Income tax expense (benefit)	43,450	45,944	(10,144)	783	368
(+) Depreciation and amortization	29,442	24,901	23,922	16,957	15,964
EBITDA	\$ 194,780	\$ 210,866	\$ 56,142	\$ 47,837	\$ 45,623
(+) Equity based compensation ⁽¹⁾	7,909	4,288	9,147	403	272
(+) Loss on extinguishment of debt	-	-	1,450	-	-
(+) Derivative expense ⁽²⁾	-	-	44,544	17,928	-
(+) Other expenses ⁽³⁾	792	7,382	11,609	3,252	4,013
Adjusted EBITDA	\$ 203,481	\$ 222,536	\$ 122,892	\$ 69,420	\$ 49,908
Net revenue	\$ 1,287,704	\$ 1,228,928	\$ 796,922	\$ 507,429	\$ 494,538
Adjusted EBITDA margin	15.8%	18.1%	15.4%	13.7%	10.1%

⁽¹⁾ Equity based compensation represents compensation expense for equity awards provided to employees and compensation expense related to John Reed's one-time transfer of Class A Common stock to certain long tenured employees in 2021. We repaid our term loan in full on December 28, 2020. The derivative expense related to the change in fair value of the exit fee at the end of each reporting period. ⁽²⁾ Other expenses represent costs and investments not indicative of ongoing business performance, such as public offering costs, third-party consulting costs, one-time project start-up costs, one-time costs related to the Reorganization and IPO, severance, signing bonuses, recruiting and project-based strategic initiatives. For the year ended December 31, 2023, these other expenses consisted largely of \$0.5 million of public offering costs. For the year ended December 31, 2022, these other expenses consisted largely of \$5.0 million of costs related to the opening and set up of our Dallas distribution center and \$1.6 million of severance, signing bonuses and recruiting costs. For the year ended December 31, 2021, these other expenses consisted primarily of \$8.7 million of costs related to the Reorganization and IPO and \$2.1 million of severance, signing bonuses and recruiting costs.

