

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 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: 001-40478

LifeStance Health Group, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
4800 N. Scottsdale Road Suite 2500
Scottsdale, Arizona
(Address of principal executive offices)

86-1832801
(I.R.S. Employer
Identification No.)

85251
(Zip Code)

Registrant's telephone number, including area code: (602) 767-2100

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 \$0.01 per share	LFST	The Nasdaq Stock Market LLC

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

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

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

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

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

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

As of April 30, 2025, the registrant had 388,875,906 shares of common stock, \$0.01 par value per share, outstanding.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, and other future conditions. Forward-looking statements can be identified by words such as “anticipate,” “believe,” “envision,” “estimate,” “expect,” “intend,” “may,” “plan,” “predict,” “project,” “target,” “potential,” “will,” “would,” “could,” “should,” “continue,” “contemplate” and other similar expressions, although not all forward-looking statements contain these identifying words. For example, all statements we make relating to: our ability to grow our business, expand access to our patients and our payors and invest in our platform; our plan to partner with additional hospital systems, large primary care groups and other specialist groups; our expectation that we will continue to open de novo center and acquire new centers; our growth rates and financial results; our plans and objectives for future operations, growth or initiatives and strategies; and our expected market opportunity are forward-looking statements.

We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements we make. We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements are subject to a number of risks, uncertainties, factors and assumptions described in Part II, Item 1A, “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q, our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission (the “SEC”) on February 27, 2025, including, among other things:

- if reimbursement rates paid by third-party payors are reduced or if third-party payors otherwise restrain our ability to obtain or deliver care to patients, our business could be materially harmed;
- we may not grow at the rates we historically have achieved or at all, even if our key metrics may imply future growth, including if we are unable to successfully execute on our growth initiatives and business strategies;
- if we fail to manage our growth effectively, our expenses could increase more than expected, our revenue may not increase proportionally or at all, and we may be unable to execute on our business strategy;
- our ability to recruit new clinicians and retain existing clinicians;
- 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, results of operations and financial condition;
- we are dependent on our relationships with supported practices, which we do not own, to provide healthcare services, and our business would be harmed if those relationships were disrupted or if our arrangements with these entities became subject to legal challenges;
- we operate in a competitive industry, and if we are not able to compete effectively, our business and financial performance would be harmed;
- the impact on us of healthcare reform legislation and other changes in the healthcare industry and in healthcare spending is currently unknown, but may harm our business;
- if our or our vendors’ security measures fail or are breached and unauthorized access to our employees’, patients’ or partners’ data is obtained, our systems may be perceived as insecure, we may incur significant liabilities, including through private litigation or regulatory action, our reputation may be harmed, and we could lose patients and partners;
- our business depends on our ability to effectively invest in, implement improvements to and properly maintain the uninterrupted operation and data integrity of our information technology and other business systems;
- our existing indebtedness could adversely affect our business and growth prospects; and
- the other factors set forth under “Risk Factors.”

The forward-looking statements in this Quarterly Report on Form 10-Q represent our views as of the date of this report. We undertake no obligation to publicly update any forward-looking statements whether as a result of new information, future developments or otherwise, except as required by law.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited).

LIFESTANCE HEALTH GROUP, INC.
CONSOLIDATED FINANCIAL STATEMENTS
For the quarterly period ended March 31, 2025

LIFESTANCE HEALTH GROUP, INC.
CONSOLIDATED BALANCE SHEETS

(unaudited)

(In thousands, except for par value)

	March 31, 2025	December 31, 2024
CURRENT ASSETS		
Cash and cash equivalents	\$ 134,336	\$ 154,571
Patient accounts receivable, net	140,370	131,802
Prepaid expenses and other current assets	29,927	26,137
Total current assets	<u>304,633</u>	<u>312,510</u>
NONCURRENT ASSETS		
Property and equipment, net	163,718	166,041
Right-of-use assets	148,068	147,878
Intangible assets, net	187,333	190,799
Goodwill	1,293,346	1,293,346
Other noncurrent assets	7,574	7,724
Total noncurrent assets	<u>1,800,039</u>	<u>1,805,788</u>
Total assets	<u>\$ 2,104,672</u>	<u>\$ 2,118,298</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 7,415	\$ 7,242
Accrued payroll expenses	99,922	117,461
Other accrued expenses	43,245	46,942
Operating lease liabilities, current	47,301	49,449
Other current liabilities	9,502	7,792
Total current liabilities	<u>207,385</u>	<u>228,886</u>
NONCURRENT LIABILITIES		
Long-term debt, net	276,322	279,790
Operating lease liabilities, noncurrent	149,391	148,699
Deferred tax liability, net	14,221	14,329
Other noncurrent liabilities	254	309
Total noncurrent liabilities	<u>440,188</u>	<u>443,127</u>
Total liabilities	<u>\$ 647,573</u>	<u>\$ 672,013</u>
COMMITMENTS AND CONTINGENCIES (see Note 11)		
STOCKHOLDERS' EQUITY		
Preferred stock – par value \$0.01 per share; 25,000 shares authorized as of March 31, 2025 and December 31, 2024; 0 shares issued and outstanding as of March 31, 2025 and December 31, 2024	—	—
Common stock – par value \$0.01 per share; 800,000 shares authorized as of March 31, 2025 and December 31, 2024; 388,826 and 382,735 shares issued and outstanding as of March 31, 2025 and December 31, 2024, respectively	3,888	3,827
Additional paid-in capital	2,270,179	2,259,818
Accumulated other comprehensive income	612	929
Accumulated deficit	(817,580)	(818,289)
Total stockholders' equity	<u>1,457,099</u>	<u>1,446,285</u>
Total liabilities and stockholders' equity	<u>\$ 2,104,672</u>	<u>\$ 2,118,298</u>

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements.

LIFESTANCE HEALTH GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(unaudited)
(In thousands, except per share amounts)

	Three Months Ended March 31,	
	2025	2024
TOTAL REVENUE	\$ 332,970	\$ 300,437
OPERATING EXPENSES		
Center costs, excluding depreciation and amortization shown separately below	223,179	205,711
General and administrative expenses	94,431	88,934
Depreciation and amortization	13,756	22,564
Total operating expenses	\$ 331,366	\$ 317,209
INCOME (LOSS) FROM OPERATIONS	\$ 1,604	\$ (16,772)
OTHER EXPENSE		
Gain on remeasurement of contingent consideration	—	2,015
Interest expense, net	(3,073)	(5,903)
Other expense	(1)	(74)
Total other expense	\$ (3,074)	\$ (3,962)
LOSS BEFORE INCOME TAXES	(1,470)	(20,734)
INCOME TAX BENEFIT (PROVISION)	2,179	(363)
NET INCOME (LOSS)	\$ 709	\$ (21,097)
EARNINGS (LOSS) PER SHARE		
Basic	\$ 0.00	\$ (0.06)
Diluted	\$ 0.00	\$ (0.06)
Weighted-average shares outstanding		
Basic	383,272	376,331
Diluted	390,666	376,331
NET INCOME (LOSS)	\$ 709	\$ (21,097)
OTHER COMPREHENSIVE (LOSS) INCOME		
Unrealized (losses) gains on cash flow hedge, net of tax	(317)	583
COMPREHENSIVE INCOME (LOSS)	\$ 392	\$ (20,514)

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements.

LIFESTANCE HEALTH GROUP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(In thousands)

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensiv e Income	Accumulate d Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances at December 31, 2024	382,735	\$ 3,827	\$ 2,259,818	\$ 929	\$ (818,289)	\$ 1,446,285
Net income	—	—	—	—	709	709
Issuance of common stock upon vesting of restricted stock units	6,104	61	(8,223)	—	—	(8,162)
Forfeitures	(13)	—	—	—	—	—
Other comprehensive loss	—	—	—	(317)	—	(317)
Stock-based compensation expense	—	—	18,584	—	—	18,584
Balances at March 31, 2025	<u>388,826</u>	<u>\$ 3,888</u>	<u>\$ 2,270,179</u>	<u>\$ 612</u>	<u>\$ (817,580)</u>	<u>\$ 1,457,099</u>

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensiv e Income	Accumulate d Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances at December 31, 2023	378,725	\$ 3,789	\$ 2,183,684	\$ 2,303	\$ (760,846)	\$ 1,428,930
Net loss	—	—	—	—	(21,097)	(21,097)
Issuance of common stock upon vesting of restricted stock units	5,687	56	(56)	—	—	—
Forfeitures	(2,307)	(24)	24	—	—	—
Other comprehensive income	—	—	—	583	—	583
Stock-based compensation expense	—	—	20,581	—	—	20,581
Balances at March 31, 2024	<u>382,105</u>	<u>\$ 3,821</u>	<u>\$ 2,204,233</u>	<u>\$ 2,886</u>	<u>\$ (781,943)</u>	<u>\$ 1,428,997</u>

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements.

LIFESTANCE HEALTH GROUP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(In thousands)

	Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 709	\$ (21,097)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	13,756	22,564
Non-cash operating lease costs	10,231	9,687
Stock-based compensation	18,584	20,581
Amortization of discount and debt issue costs	251	424
Gain on remeasurement of contingent consideration	—	(2,015)
Other, net	357	(47)
Change in operating assets and liabilities, net of businesses acquired:		
Patient accounts receivable, net	(8,568)	(50,532)
Prepaid expenses and other current assets	(4,515)	2,491
Accounts payable	(77)	4,981
Accrued payroll expenses	(17,540)	(2,045)
Operating lease liabilities	(11,894)	(9,608)
Other accrued expenses	(4,386)	2,778
Net cash used in operating activities	<u>\$ (3,092)</u>	<u>\$ (21,838)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(7,168)	(5,104)
Net cash used in investing activities	<u>\$ (7,168)</u>	<u>\$ (5,104)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of long-term debt	(1,813)	(731)
Payments of contingent consideration	—	(1,700)
Taxes related to net share settlement of equity awards	(8,162)	—
Net cash used in financing activities	<u>\$ (9,975)</u>	<u>\$ (2,431)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(20,235)	(29,373)
Cash and Cash Equivalents - Beginning of period	154,571	78,824
CASH AND CASH EQUIVALENTS – END OF PERIOD	<u>\$ 134,336</u>	<u>\$ 49,451</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest, net	\$ 4,382	\$ 6,270
Cash paid for taxes, net of refunds	\$ 609	\$ (252)
SUPPLEMENTAL DISCLOSURES OF NON CASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of property and equipment included in liabilities	\$ 2,348	\$ 3,104

The accompanying Notes are an integral part of these Unaudited Consolidated Financial Statements.

LIFESTANCE HEALTH GROUP, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)
(In thousands, except per share amounts)

NOTE 1 NATURE OF THE BUSINESS

Description of Business

LifeStance Health Group, Inc. ("LifeStance" or the "Company") operates as a provider of outpatient mental health services, spanning psychiatric evaluations and treatment, psychological and neuropsychological testing, and individual, family and group therapy.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company's significant accounting policies are discussed in Note 2 "Summary of Significant Accounting Policies" in Item 15 of its Annual Report on Form 10-K for the year ended December 31, 2024. During the three months ended March 31, 2025, there have been no significant changes to these policies.

Basis of Presentation and Principles of Consolidation

The Company has prepared the accompanying unaudited consolidated financial statements pursuant to the rules and regulations of the SEC regarding interim financial reporting, which include the accounts of LifeStance, its wholly-owned subsidiaries and variable interest entities ("VIEs") in which LifeStance has an interest and is the primary beneficiary. Pursuant to these rules and regulations, the Company has omitted certain information and footnote disclosures it normally includes in its annual consolidated financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). All intercompany balances and transactions have been eliminated in consolidation. In management's opinion, the Company has made all adjustments (consisting only of normal, recurring adjustments, except as otherwise indicated) necessary to fairly state its consolidated financial condition, results of operations and cash flows. The Company's interim period operating results do not necessarily indicate the results that may be expected for any other interim period or the full fiscal year. These financial statements and accompanying notes should be read in conjunction with the consolidated financial statements and notes thereto in the Company's audited financial statements for the year ended December 31, 2024 in the Company's Annual Report on Form 10-K.

Use of Accounting Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Segment Information

The Company has a single operating and reportable segment – mental health services. As the Company operates as one operating segment, all required segment financial information is found in the accompanying unaudited consolidated financial statements.

The chief operating decision maker assesses performance for the mental health services segment and decides how to allocate resources based on net income (loss), which is reported on the accompanying unaudited consolidated statements of operations and comprehensive income (loss) as net income (loss). Net income (loss) is used to monitor budget versus actual results for assessment of segment performance. The chief operating decision maker considers budget-to-actual variances on a monthly basis when making decisions about allocating resources and assessing the performance of the segment. The chief operating decision maker utilizes consolidated expense information regularly provided in the budget-to-actual analysis in order to assist with assessing performance and deciding how to allocate resources, which align with the consolidated expense categories as disclosed on the face of the accompanying unaudited consolidated statements of operations and comprehensive income (loss).

The measure of segment assets is reported on the accompanying consolidated balance sheets as total assets. The chief operating decision maker does not utilize total assets in the assessment of performance and allocation of resource decisions as the assessment and decisions are not made on the basis of total assets.

Variable Interest Entities

The Company evaluates its ownership, contractual and other interests in entities to determine if it has any variable interest in a VIE. These evaluations are complex, involve judgment, and the use of estimates and assumptions based on available information. If the Company determines that an entity in which it holds a contractual or ownership interest is a VIE and that the Company is the primary beneficiary, the Company consolidates such entity in its consolidated financial statements. The primary beneficiary of a VIE is the party that meets both of the following criteria: (i) has the power to make decisions that most significantly affect the economic performance of the VIE; and (ii) has the obligation to absorb losses or the right to receive benefits that in either case could potentially

be significant to the VIE. The Company performs ongoing reassessments of whether changes in the facts and circumstances regarding the Company's involvement with a VIE will cause the consolidation conclusion to change.

The Company acquires and operates certain care centers which are deemed to be Friendly-Physician Entities ("FPEs"). As part of an FPE acquisition, the Company acquires 100% of the non-medical assets; however due to legal requirements the physician-owners must retain 100% of the equity interest. The Company's agreements with FPEs generally consist of both a Management Service Agreement, which provides for various administrative and management services to be provided by the Company to the FPE, and Stock Transfer Restriction ("STR") agreements with the physician-owners of the FPEs, which provide for the transition of ownership interests of the FPEs under certain conditions. The outstanding voting equity instruments of the FPEs are owned by the nominee shareholders appointed by the Company under the terms of the STR agreements. The Company has the right to receive income as an ongoing management fee, which effectively absorbs all of the residual interests and has also provided financial support through loans to the FPEs. The Company has exclusive responsibility for the provision of all nonmedical services including facilities, technology and intellectual property required for the day-to-day operation and management of each of the FPEs, and makes recommendations to the FPEs in establishing the guidelines for the employment and compensation of the physicians and other employees of the FPEs. In addition, the STR agreements provide that the Company has the right to designate an appropriately licensed person(s) to purchase the equity interest of the FPE for a nominal amount in the event of a succession event at the Company's discretion. Based on the provisions of these agreements, the Company determined that the FPEs are VIEs due to the equity holder having insufficient capital at risk, and the Company has a variable interest in the FPEs.

The contractual arrangements described above allow the Company to direct the activities that most significantly affect the economic performance of the FPEs. Accordingly, the Company is the primary beneficiary of the FPEs and consolidates the FPEs under the VIE model. Furthermore, as a direct result of nominal initial equity contributions by the physicians, the financial support the Company provides to the FPEs (e.g., loans) and the provisions of the contractual arrangements and nominee shareholder succession arrangements described above, the interests held by noncontrolling interest holders lack economic substance and do not provide them with the ability to participate in the residual profits or losses generated by the FPEs. Therefore, all income and expenses recognized by the FPEs are allocated to the Company. The Company does not hold interests in any VIEs for which the Company is not deemed to be the primary beneficiary.

As noted previously, the Company acquires 100% of the non-medical assets of the VIEs. The aggregate carrying values of the VIEs' total assets and total liabilities not purchased by the Company but included on the consolidated balance sheets were not material at March 31, 2025 and December 31, 2024.

Recent Accounting Pronouncements Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). ASU 2023-09 improves the transparency of income tax disclosures by requiring (1) consistent categories and greater disaggregation of information in the rate reconciliation and (2) income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024. Early adoption is permitted. ASU 2023-09 will apply on a prospective basis and retrospective application is permitted. The Company is in process of evaluating the impact of adoption of ASU 2023-09 on the Company's consolidated financial statements and disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"). ASU 2024-03 requires disclosure of additional information about specific expense categories in the notes to the financial statements. ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those fiscal years. Early adoption is permitted and should be applied either prospectively to financial statements issued for reporting periods after the effective date of ASU 2024-03 or retrospectively to any or all periods presented in the financial statements. The Company is in the process of evaluating the impact of the adoption of ASU 2024-03 on the Company's consolidated financial statements and disclosures.

NOTE 3 TOTAL REVENUE

The Company's total revenue is dependent on a series of contracts with third-party payors, which is typical for providers in the healthcare industry. The Company has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the payor mix with third-party payors, which have different reimbursement rates.

The payor mix of fee-for-service revenue from patients and third-party payors consists of the following:

	Three Months Ended March 31,			
	2025		2024	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Commercial	\$ 300,877	90%	\$ 273,766	91%
Government	17,069	5%	13,532	5%
Self-pay	12,316	4%	10,321	3%
Total patient service revenue	330,262	99%	297,619	99%
Nonpatient service revenue	2,708	1%	2,818	1%
Total	\$ 332,970	100%	\$ 300,437	100%

Among the commercial payors, the table below represents insurance companies that individually represented 10% or more of revenue:

	Three Months Ended March 31,	
	2025	2024
Payor A	15%	17%
Payor B	15%	15%

NOTE 4 PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	March 31, 2025	December 31, 2024
Leasehold improvements	\$ 178,134	\$ 173,840
Computers and peripherals	23,496	23,740
Internal-use software	9,668	9,273
Furniture, fixtures and equipment	43,406	42,836
Medical equipment	842	842
Construction in process	5,709	7,874
Total	\$ 261,255	\$ 258,405
Less: Accumulated depreciation	(97,537)	(92,364)
Total property and equipment, net	\$ 163,718	\$ 166,041

Depreciation expense consists of the following:

	Three Months Ended March 31,	
	2025	2024
Depreciation expense	\$ 10,290	\$ 10,021

NOTE 5 LEASES

The Company leases its office facilities and office equipment which are accounted for as operating leases. Some leases contain clauses for renewal at the Company's option with renewal terms that generally extend the lease term from one to seven years.

The components of lease expense for the Company's operating leases in its unaudited consolidated statements of operations and comprehensive income (loss) were as follows:

	Three Months Ended March 31,	
	2025	2024
Operating lease costs	\$ 14,001	\$ 13,682

Variable lease costs and short-term lease costs were not material.

The weighted-average remaining lease term and discount rate for operating lease liabilities included in the consolidated balance sheets are as follows:

	March 31, 2025	December 31, 2024
Weighted-average remaining lease term (in years)	4.1	4.1
Weighted-average discount rate	7.66%	7.50%

Supplemental cash flow information related to operating leases was as follows:

	Three Months Ended March 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 16,499	\$ 16,029
Noncash lease activity		
Right-of-use lease assets obtained in exchange for new operating lease liabilities	\$ 10,451	\$ 4,828

The future minimum lease payments under noncancellable operating leases as of March 31, 2025 are as follows:

Year Ended December 31,	Amount
Remainder of 2025	\$ 44,338
2026	61,823
2027	48,877
2028	36,122
2029	21,293
Thereafter	19,839
Total lease payments	\$ 232,292
Less: imputed interest	(35,600)
Total lease liabilities	\$ 196,692

NOTE 6 GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill was \$1,293,346 as of March 31, 2025 and December 31, 2024. There have been no changes to the goodwill carrying value during the period.

Intangible Assets

Intangible assets consist of the following:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life (Years)
March 31, 2025				
Regional trade names	\$ 36,694	\$ (35,497)	\$ 1,197	4.0
LifeStance trade names	235,500	(51,107)	184,393	22.5
Non-competition agreements	94,535	(92,792)	1,743	4.2
Total intangible assets	\$ 366,729	\$ (179,396)	\$ 187,333	
December 31, 2024				
Regional trade names	\$ 36,694	\$ (35,039)	\$ 1,655	4.0
LifeStance trade names	235,500	(48,490)	187,010	22.5
Non-competition agreements	94,535	(92,401)	2,134	4.2
Total intangible assets	\$ 366,729	\$ (175,930)	\$ 190,799	

Gross carrying amount is based on the fair value of the intangible assets determined at the acquisition date. Total intangible asset amortization expense consists of the following:

	Three Months Ended March 31,	
	2025	2024
Amortization expense	\$ 3,466	\$ 12,543

NOTE 7 FAIR VALUE MEASUREMENTS

Hedging Activities

The Company uses derivative financial instruments, including an interest rate swap, for hedging and non-trading purposes to manage its exposure to changes in interest rates. The Company entered into a hedge transaction (interest rate swap) using a derivative financial instrument for the purpose of hedging the Company's exposure to interest rate risks, which the contractual terms of the hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. The objective of entering

into the interest rate swap is to eliminate the variability of cash flows in the Secured Overnight Financing Rate ("SOFR") interest payments associated with the variable-rate loan over the life of the loan. In August 2022, the Company entered into an interest rate swap agreement to pay a fixed rate of 3.24% on a total notional value of \$189,000 of debt. As a result of the interest rate swap, 94.5% of the term loan previously exposed to interest rate risk from changes in SOFR is now hedged against the interest rate swap at a fixed rate. The interest rate swap matures on September 30, 2025. As of March 31, 2025, the notional value was \$184,275. As changes in interest rates impact the future cash flow of interest payments, the hedge provides a synthetic offset to interest rate movements.

The Company used the income approach to value the derivative for the interest rate swap using observable market data for all significant inputs and standard valuation techniques to convert future amounts to a single present value amount, assuming that participants are motivated but not compelled to transact. This derivative instrument (interest rate swap) is designated and qualifies as a cash flow hedge, with the entire gain or loss on the derivative reported as a component of other comprehensive income. Amounts recorded in accumulated other comprehensive income are released to earnings in the same period that the hedged transaction impacts consolidated earnings within interest expense, net. The cash flows from the derivative treated as a cash flow hedge is classified in the Company's consolidated statements of cash flows in the same category as the item being hedged.

For the three months ended March 31, 2025 and 2024, the Company included immaterial gains on the hedged instrument (variable-rate borrowings) in the same line item (interest expense, net) as the offsetting gain on the related interest rate swap in the unaudited consolidated statements of operations and comprehensive income (loss).

The following table summarizes the location of the interest rate swap in the unaudited consolidated balance sheets:

	Consolidated balance sheets location	March 31, 2025	December 31, 2024
Interest rate swap	Prepaid expenses and other current assets	\$ 847	\$ 1,272

The amount of estimated cash flow hedge unrealized gains and losses that are expected to be reclassified to earnings in the next twelve months is not material.

Fair Value Measured on a Recurring Basis

The following table presents information about the Company's assets that are measured at fair value on a recurring basis:

	March 31, 2025	December 31, 2024
Assets Measured at Fair Value		
Money market funds	\$ 75,072	\$ 119,616
Level 1	\$ 75,072	\$ 119,616
Interest rate swap asset	\$ 847	\$ 1,272
Level 2	\$ 847	\$ 1,272
Total assets measured at fair value	\$ 75,919	\$ 120,888

NOTE 8 LONG-TERM DEBT

On December 19, 2024, the Company entered into a credit agreement (the "2024 Credit Agreement") among LifeStance Health Holdings, Inc., Lynnwood Intermediate Holdings, Inc., Capital One, National Association, and each lender party thereto. The 2024 Credit Agreement established a senior secured term loan facility of \$290,000 and a senior secured revolving loan facility of up to \$100,000. The Company borrowed \$290,000 in term loans, payable in quarterly principal and interest payments, with a maturity date of December 19, 2029. The loans under the term loan facility bear interest at a rate per annum equal to (x) term SOFR (which term SOFR is subject to a minimum of 0.00%) plus an applicable margin of 3.00% subject to stepdowns based on leverage-based metrics or (y) an alternate base rate (which will be the highest of (i) the prime rate, (ii) 0.50% above the federal funds effective rate and (iii) one-month term SOFR (which term SOFR is subject to a minimum of 0.00%) plus 1.00%) plus an applicable margin of 2.00% subject to stepdowns based on leverage-based metrics. The term loans are collateralized by substantially all of the assets of the Company. The revolving loan has interest only payments until the maturity date of December 19, 2029.

The 2024 Credit Agreement requires the Company to maintain compliance with certain restrictive financial covenants related to earnings, leverage ratios, and other financial metrics. The Company was in compliance with all debt covenants at March 31, 2025 and December 31, 2024.

Long-term debt consists of the following:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>
Term loan	\$ 288,188	\$ 290,000
Less: Current portion of long-term debt	(9,063)	(7,250)
Less: Unamortized discount and debt issue costs ⁽¹⁾	(2,803)	(2,960)
Total Long-Term Debt, Net of Current Portion and Unamortized Discount and Debt Issue Costs	<u>\$ 276,322</u>	<u>\$ 279,790</u>

- (1) The unamortized debt issue costs related to long-term debt are presented as a reduction of the carrying amount of the corresponding liabilities on the unaudited consolidated balance sheets. Unamortized debt issue costs related to revolving loans are presented within other noncurrent assets on the unaudited consolidated balance sheets.

The current portion of long-term debt is included within other current liabilities on the unaudited consolidated balance sheets.

Interest expense, net consists of the following:

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest expense, net	\$ 3,073	\$ 5,903

Future principal payments on long-term debt as of March 31, 2025 are as follows:

<u>Year Ended December 31,</u>	<u>Amount</u>
Remainder of 2025	\$ 5,438
2026	14,500
2027	14,500
2028	21,750
2029	232,000
Total	<u>\$ 288,188</u>

The fair value of long-term debt is based on the present value of future payments discounted by the market interest rates or the fixed rates based on current rates offered to the Company for debt with similar terms and maturities, which is a Level 2 fair value measurement. Long-term debt is presented at carrying value on the unaudited consolidated balance sheets. The fair value of long-term debt at March 31, 2025 and December 31, 2024 was \$279,389 and \$287,109, respectively.

Revolving Loan

Under the 2024 Credit Agreement, the Company has a revolving loan commitment in the amount of \$100,000. Any borrowing on the revolving loan under the 2024 Credit Agreement is due in full on December 19, 2029. The revolving loan bears interest at a rate per annum equal to (x) term SOFR (which term SOFR is subject to a minimum of 0.00%) plus an applicable margin of 3.00% subject to stepdowns based on leverage-based metrics or (y) an alternate base rate (which will be the highest of (i) the prime rate, (ii) 0.50% above the federal funds effective rate and (iii) one-month term SOFR (which term SOFR is subject to a minimum of 0.00%) plus 1.00%) plus an applicable margin of 2.00% subject to stepdowns based on leverage-based metrics. The unused revolving loan incurs a quarterly undrawn commitment fee of 0.45% per annum subject to stepdowns based on leverage-based metrics.

There are no amounts outstanding on the revolving loan as of March 31, 2025 and December 31, 2024.

NOTE 9 STOCK-BASED COMPENSATION

2021 Equity Incentive Plan

Effective June 9, 2021, the Company's Board of Directors (the "Board") and its stockholders as of that date adopted and approved the LifeStance Health Group, Inc. 2021 Equity Incentive Plan (the "2021 Equity Incentive Plan"). The 2021 Equity Incentive Plan permits the grant of awards or restricted or unrestricted common stock, stock options, stock appreciation rights, restricted stock units, performance awards, and other stock-based awards to employees and directors of, and consultants and advisors to, the Company and its affiliates. On January 1, 2025, the number of shares of common stock reserved and available for issuance under the 2021 Equity Incentive Plan increased by 19,137 shares.

Restricted Stock Awards ("RSA")

The following is a summary of RSA transactions as of and for the three months ended March 31, 2025:

	Unvested Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2024	2,255	\$ 11.98
Vested	—	11.98
Forfeited	(13)	11.98
Unvested, March 31, 2025	2,242	\$ 11.98

Restricted Stock Units ("RSU")

The following is a summary of RSU transactions as of and for the three months ended March 31, 2025:

	Unvested Shares	Weighted-Average Grant Date Fair Value
Outstanding, December 31, 2024	24,003	\$ 6.72
Granted	11,965	7.80
Vested	(6,104)	7.03
Canceled and forfeited	(2,047)	7.17
Outstanding, March 31, 2025	27,817	\$ 7.09

Stock Options

The following is a summary of stock option activity as of and for the three months ended March 31, 2025:

	Number of Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, December 31, 2024	13,476	\$ 7.42	6.43	\$ 2,300
Granted	—	—		
Exercised	—	—		—
Canceled and forfeited	—	—		
Outstanding, March 31, 2025	13,476	\$ 7.42	6.18	\$ 1,413
Exercisable at March 31, 2025	2,246	\$ 7.42	6.22	\$ 235
Vested or expected to vest at March 31, 2025	13,476	\$ 7.42	6.18	\$ 1,413

Stock-Based Compensation Expense

The Company recognized stock-based compensation expense related to RSUs and stock options within general and administrative expenses in the unaudited consolidated statements of operations and comprehensive income (loss) as follows:

	Three Months Ended March 31,	
	2025	2024
Stock-based compensation expense	\$ 18,584	\$ 20,581

As of March 31, 2025, the Company had \$183,919 in unrecognized compensation expense related to all non-vested RSUs and stock options that will be recognized over the weighted-average remaining service period of 2.7 years.

2021 Employee Stock Purchase Plan

Effective June 9, 2021, the Board and its stockholders as of that date adopted and approved the LifeStance Health Group, Inc. 2021 Employee Stock Purchase Plan (the "ESPP"). The ESPP is more fully described in Note 11 in the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

As of March 31, 2025, no shares of common stock have been purchased under the Company's ESPP.

NOTE 10 INCOME TAXES

The (benefit) provision for income taxes is as follows:

	Three Months Ended March 31,	
	2025	2024
(Benefit) provision for income taxes	\$ (2,179)	\$ 363

The effective tax rates are as follows:

	Three Months Ended March 31,	
	2025	2024
Effective tax rate	148.2%	(1.7)%

The difference between the Company's effective tax rate and the U.S. statutory tax rate of 21% was primarily the result of non-deductible equity awards. The Company regularly evaluates the realizability of its deferred tax assets and establishes a valuation allowance if it is more likely than not that some or all the deferred tax assets will not be realized.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Professional Liability Insurance

The Company's medical malpractice insurance coverage is subject to a \$3,000 per claim limit and an annual aggregate shared limit of \$8,000. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured. The Company is not aware of any unasserted claims, unreported incidents, or claims outstanding that are expected to exceed malpractice insurance coverage limits as of March 31, 2025 and December 31, 2024.

Health Care Industry

The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, and government healthcare program participation requirements, reimbursement for patient services, and Medicare fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violation of these laws and regulations could result in expulsion from government healthcare programs together with imposition of significant fines and penalties, as well as significant repayments for patient services billed.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various healthcare companies have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in companies entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Company's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Company. In addition, the contracts the Company has with commercial payors also provide for retroactive audit and review of claims.

Management believes that the Company is in substantial compliance with fraud and abuse as well as other applicable government laws and regulations. While no regulatory inquiries have been made, compliance with such laws and regulations is subject to government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

General Contingencies

The Company is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant reduction in insurance coverage from the previous year in any of the Company's policies.

Litigation

The Company may be involved from time-to-time in legal actions relating to the ownership and operations of its business. Liabilities related to loss contingencies are recognized when the Company believes it is probable a liability has occurred and the amount can be reasonably estimated by management.

On April 26, 2023, a class action litigation captioned *Strong v. LifeStance Health Group, Inc.* was filed in the United States District Court for the District of Arizona against the Company by a putative class representing users of the Company's website who allege various privacy-related claims premised on the Company's use of pixel technologies on its website. The lawsuit seeks unspecified monetary damages. The process of resolving this matter is inherently uncertain and may develop over an extended period of time; therefore, at this time, the ultimate resolution cannot be predicted. The Company has not recorded any material accruals for loss contingencies and in management's opinion no material range of loss is estimable for this matter as of March 31, 2025.

NOTE 12 EARNINGS PER SHARE

Basic earnings per share is computed using the weighted-average number of common shares of the Company outstanding during the period. Diluted earnings per share is computed using the weighted-average number of common shares of the Company outstanding

including the dilutive effect of stock-based awards as determined under the treasury stock method. In periods when the Company has a net loss, stock-based awards are excluded from the calculation of loss per share as their inclusion would have an antidilutive effect.

The following table presents the calculation of basic and diluted earnings (loss) per share for the Company's common shares:

	Three Months Ended March 31,	
	2025	2024
Numerator		
Net income (loss) available to common stockholders'	\$ 709	\$ (21,097)
Denominator		
Weighted-average shares - basic	383,272	376,331
Dilutive effect of outstanding stock-based awards	7,394	—
Weighted-average shares - diluted	390,666	376,331
Earnings (loss) per share		
Basic	\$ 0.00	\$ (0.06)
Diluted	\$ 0.00	\$ (0.06)

The Company has issued potentially dilutive instruments in the form of RSAs, RSUs and stock options. The following potentially dilutive shares are excluded from the computation of diluted earnings (loss) per share for the periods presented because including them would have been anti-dilutive:

	As of March 31,	
	2025	2024
RSAs, RSUs and stock options	35,156	44,978

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and the accompanying notes as well as "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2024. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth under "Risk Factors" Part II, Item 1A in this Quarterly Report on Form 10-Q as well as those discussed in the Annual Report on Form 10-K for the year ended December 31, 2024, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Unless stated otherwise or the context otherwise requires, the terms "we," "us," "our," "our business," "LifeStance" and "our Company" and similar references refer to LifeStance Health Group, Inc. and its consolidated subsidiaries and supported practices. References to "our employees" and "our clinicians" refer collectively to employees and clinicians, respectively, of our subsidiaries and supported practices. References to "our patients" refer to the patients treated by such clinicians.

Our Business

We are reimagining mental health through a tech-enabled care delivery model built to expand access, address affordability, improve outcomes and lower overall healthcare costs. We are one of the nation’s largest outpatient mental health platforms based on the number of clinicians we employ through our subsidiaries and our supported practices and our geographic scale, employing 7,535 licensed mental health clinicians as of March 31, 2025. Our patient-focused platform combines a personalized, digitally-powered patient experience with differentiated clinical capabilities and in-network insurance relationships to fundamentally transform patient access and treatment. By revolutionizing the way mental healthcare is delivered, we believe we have an opportunity to improve the lives and health of millions of individuals.

Our model is built to empower each of the healthcare ecosystem’s key stakeholders—patients, clinicians, payors and primary care and specialist physicians—by aligning around our shared goal of delivering better outcomes for patients and providing high-quality mental healthcare.

- *Patients* - We are the front-door to comprehensive outpatient mental healthcare. Our clinicians offer patients a full spectrum of outpatient services to treat mental health conditions. Our in-network payor relationships improve patient access by allowing patients to access care without significant out-of-pocket cost or delays in receiving treatment. Our personalized, data-driven comprehensive care meets patients where they are, through convenient virtual and in-person settings. We support our patients throughout their care continuum with purpose-built technological capabilities, including online assessments, digital provider communication, and seamless internal referral and follow-up capabilities.
- *Clinicians* - We empower clinicians to focus on patient care and relationships by providing what we believe is a superior workplace environment, as well as clinical and technology capabilities to deliver high-quality care. We offer a unique employment model for clinicians in a collaborative clinical environment, employing our clinicians through our subsidiaries and supported practices. Our integrated platform and national infrastructure reduce administrative burdens for clinicians while increasing engagement and satisfaction.
- *Payors* - We partner with payors to deliver access to high-quality outpatient mental healthcare to their members at scale. Through our extensive scale, we offer payors a pathway to reduce overall cost of care in the broader healthcare system while supporting improved physical and mental health outcomes.
- *Primary care and specialist physicians* - We collaborate with primary care and specialist physicians to enhance patient care. Primary care is an important setting for the treatment of mental health conditions—primary care physicians are often the sole contact of patients with a mental illness and, in many instances where patients have a chronic condition, specialist physicians step into the role of primary physicians. We partner with primary care physicians and specialist physician groups across the country to provide a mental healthcare network for referrals and, in certain instances, through virtual and physical co-location to improve the diagnosis and treatment of their patients.

Key Factors Affecting Our Results

Expanding Center Capacity and Visits Within Existing Centers

We have built a powerful organic growth engine that enables us to drive growth within our existing footprint.

Our Clinicians

As of March 31, 2025, we employed 7,535 psychiatrists, advanced practice nurses, psychologists and therapists through our subsidiaries and supported practices. We generate revenue on a per visit basis (total revenue per visit ("TRPV")) as clinical services are rendered by our clinicians. We generate lower revenue and experience lower clinician productivity in periods that have fewer business days than other periods. We measure productivity by the number of visits that are performed by a clinician, which is driven by the time clinicians make available to see patients and our ability to fill clinicians' schedules by attracting new patients, scheduling patients, and converting scheduled appointments to completed visits. Clinician productivity impacts our ability to generate revenue and also impacts clinician compensation, as clinician compensation is primarily driven by the number of visits provided by each clinician. Recruiting new clinicians and retaining existing clinicians enables us to see more patients by expanding our patient visit capacity.

We believe our dedicated employment model offers a superior value proposition compared to independent practice. Our network relationships provide clinicians with ready access to patients. We also enable clinicians to manage their own patient volumes. Our platform promotes a clinically-driven professional culture and streamlines patient access and care delivery, while optimizing practice administration processes through technology. We believe we are an employer of choice in mental health, allowing us to employ highly qualified clinicians.

We believe we have significant opportunity to grow our employed clinician base from our current base of 7,535 clinicians employed through our subsidiaries and supported practices, as of March 31, 2025. We have developed a rigorous and exclusive in-house national clinician recruiting model that works closely with our regional clinical teams to select the best candidates and expand capacity in a timely manner. As we grow our clinician base, we can grow our business, expand access for our patients and our payors and invest in our platform to further reinforce our differentiated offering to clinicians. We have available physical capacity to add clinicians to our existing centers, as well as an opportunity to add new clinicians with the targeted roll-out of de novo centers. Our virtual care offering also allows clinicians to see more patients without investments in incremental physical space, expanding our patient visit capacity beyond in-person only levels.

Our Patients

We believe our ability to attract and retain patients to drive growth in our visits and meet the availability of our clinician base will enable us to grow our revenue. We believe we have a significant opportunity to increase the number of patients we serve in our existing markets. Our clinicians treated patients through 2.1 million visits in the three months ended March 31, 2025. We believe our ability to deliver more accessible, flexible, affordable and effective mental healthcare is a key driver of our patient growth. We believe we provide a superior and differentiated mental healthcare experience that integrates virtual and in-person care to deliver care in a convenient way for our patients, meeting our patients where they are. Our in-network payor relationships allow our patients to access affordable care without significant out-of-pocket cost or delays in receiving treatment. We treat mental health conditions across the outpatient spectrum through a clinical approach that focuses on improved patient outcomes. We support our patients throughout their care continuum with purpose-built technological capabilities, including online assessments, digital provider communication, and seamless internal referral and follow-up capabilities.

We utilize multiple strategies to add new patients to our platform, including our primary care and specialist physician relationships, internal referrals from our clinicians, our payor relationships and our dedicated marketing efforts. We have established a large network of national, regional and local payors that enables their members to be referred to us as patients. Payors refer patients to our platform to drive improvement in health outcomes for their members, reduction in total medical costs and increased member satisfaction and retention. Within our markets, we partner with primary care practice groups, specialists, health systems and academic institutions to refer patients to our centers and clinicians. Our local referral marketing teams build and maintain relationships with our referring partner networks to create awareness of our platform and services, including the opening of new centers and the introduction of newly hired clinicians with appointment availability. We also use online marketing to develop our national brand to increase brand awareness and promote additional channels of patient recruitment.

Our Primary Care and Specialist Physician Referral Relationships

We have built a powerful patient referral network through partnerships with primary care physicians and specialist physician groups across the country. We deliver value to our provider partners by offering more efficient referral pathways, delivering improved outcomes for our shared patients, and enabling more integrated care and lower total healthcare costs. As we continue to scale nationally, we plan to partner with additional hospital systems, large primary care groups and other specialist groups to help streamline their mental health network needs and drive continued patient growth across our platform. Our vision over time is to further integrate our mental healthcare services with those of our medical provider partners. By co-locating and driving toward integration with primary care and specialty providers, we can enhance our clinicians' access to patients. We anticipate that we will continue to grow these relationships while evolving our offering toward a fully-integrated care model in which primary care and our mental health clinicians work together to develop and provide personalized treatment plans for shared patients. We believe these efforts will help to further align our model with that of other healthcare providers, increasing our value to them and driving new opportunities to partner to grow our patient base and revenue opportunities.

Our Payors

Our payor relationships, including national contracts with multiple payors, allow access to our services through in-network coverage for their members. We believe the alignment of our model with our payor partners' population health objectives encourages third-party payors to partner with us. We believe we deliver value to our payor partners in several ways, including access to a national clinician employee base, lower total medical costs, and stronger member and client value proposition through the offering of in-network mental health services. The strength of our payor relationships and our value proposition has historically allowed us to secure rate parity between in-person and virtual visits, either by contract or payor policy. To expand this network and grow access to covered patients, we continue to evaluate new payor relationships and national contracts where we believe the payor's policies and approach to mental healthcare align with our mission, while also seeking to drive regional rate improvement, including terminating certain of our lower-volume payor contracts to support continued investment in our differentiated model for delivering mental healthcare. We believe our payor relationships differentiate us from our competitors and are a critical factor in our ability to expand our market footprint in new regions by leveraging our existing national payor relationships. As we continue to grow, we believe our scale, breadth and access will continue to be enhanced, further strengthening the value of our platform to payors.

As part of our ongoing business operations, we renegotiate our existing payor contracts and enter into new payor contracts. Our results of operations can fluctuate based on the reimbursement rates resulting from these payor contract negotiations and renegotiations. To the extent that payors, particularly payors comprising a significant portion of our revenue, negotiate lower reimbursement rates or elect not to cover some or all of our services, our business and results of operations could be adversely impacted.

Expand and Optimize our Center Base Within Existing and New Markets

We believe we have built a powerful market growth engine that allows us to rapidly grow our presence within our markets and unlock potential latent demand through our differentiated scale, access and affordability.

De Novo Centers

Our de novo center strategy is a central component of our organic growth engine to build our capacity and increase density in our existing metropolitan statistical areas. We believe there is a significant opportunity to use de novo center openings to address potential patient need in our existing markets and new markets that we have determined are attractive to enter. We systematically locate our centers within a given market to ensure convenient coverage for in-person access to care. We believe our successful de novo program and national clinician recruiting team can support additions of new centers and clinicians.

We continue to utilize a more sustainable design for all new de novo centers that reimagines the mental healthcare experience for both patients and clinicians while reinforcing our commitment to sustainability.

Acquisitions

We believe the highly fragmented nature of the mental health market provides us with a meaningful opportunity to selectively pursue acquisitions that meet our standards of high-quality clinical care and align with our mission. We believe our guiding principle of creating a national platform built with a patient and clinician focus makes us a partner of choice for smaller, independent practices. Our acquisition strategy has been deployed both to enter new markets and to expand within existing markets. In new markets, acquisitions have allowed us to establish a presence with high-quality practices with a track record of clinical excellence and in-network payor relationships that can be integrated into our national platform. In existing markets, acquisitions have allowed us to grow our geographic reach and clinician base to expand patient access.

Center Margin

As we grow our platform, we seek to generate consistent returns on our investments. See “—Key Metrics and Non-GAAP Financial Measures—Center Margin” for our definition of Center Margin and reconciliation to income (loss) from operations. We believe this metric best reflects the economics of our model as it includes all direct expenses associated with our patients' care. We seek to grow our Center Margin through a combination of (i) growing revenue through clinician hiring and retention, patient growth and engagement, hybrid virtual and in-person care, existing office expansion, and in-network reimbursement levels, and (ii) leveraging on our fixed cost base at each center. For acquired centers, we also seek to realize operational, technology and reimbursement synergies to drive Center Margin growth.

Key Metrics and Non-GAAP Financial Measures

We evaluate the growth of our footprint through a variety of metrics and indicators. The following table sets forth a summary of the key financial metrics we review to evaluate our business, measure our performance, identify trends affecting our business, formulate our business plan and make strategic decisions:

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
Total revenue	\$ 332,970	\$ 300,437
Revenue growth	11%	19%
Income (loss) from operations	1,604	(16,772)
Center Margin	109,791	94,726
Net income (loss)	709	(21,097)
Adjusted EBITDA	34,646	27,651

Center Margin and Adjusted EBITDA are not measures of financial performance under generally accepted accounting principles ("GAAP") and are not intended to be substitutes for any GAAP financial measures, including revenue, income (loss) from operations or net income (loss), and, as calculated, may not be comparable to companies in other industries or within the same industry with similarly titled measures of performance. Therefore, non-GAAP measures should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP.

Center Margin

We define Center Margin as income (loss) from operations excluding depreciation and amortization and general and administrative expenses. Therefore, Center Margin is computed by removing from income (loss) from operations the costs that do not directly relate to the delivery of care and only including center costs, excluding depreciation and amortization. We consider Center Margin to be an important measure to monitor our performance relative to the direct costs of delivering care. We believe Center Margin is useful to investors to measure whether we are sufficiently controlling the direct costs of delivering care.

Center Margin is not a financial measure of, nor does it imply, profitability. The relationship of income (loss) from operations to center costs, excluding depreciation and amortization is not necessarily indicative of future profitability from operations. Center Margin excludes certain expenses, such as general and administrative expenses, and depreciation and amortization, which are considered normal, recurring operating expenses and are essential to support the operation and development of our centers. Therefore, this measure may not provide a complete understanding of the operating results of our Company as a whole, and Center Margin should be reviewed in conjunction with our GAAP financial results. Other companies that present Center Margin may calculate it differently and, therefore, similarly titled measures presented by other companies may not be directly comparable to ours. In addition, Center Margin has limitations as an analytical tool, including that it does not reflect depreciation and amortization or other overhead allocations.

The following table provides a reconciliation of income (loss) from operations, the most closely comparable GAAP financial measure, to Center Margin:

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
Income (loss) from operations	\$ 1,604	\$ (16,772)
Adjusted for:		
Depreciation and amortization	13,756	22,564
General and administrative expenses ⁽¹⁾	94,431	88,934
Center Margin	\$ 109,791	\$ 94,726

- (1) Represents salaries, wages and employee benefits for our executive leadership, finance, human resources, marketing, billing and credentialing support and technology infrastructure and stock-based compensation for all employees.

Adjusted EBITDA

We present Adjusted EBITDA, a non-GAAP performance measure, to supplement our results of operations presented in accordance with generally accepted accounting principles, or GAAP. We believe Adjusted EBITDA is useful in evaluating our operating performance, and may be helpful to securities analysts, institutional investors and other interested parties in understanding our operating performance and prospects. Adjusted EBITDA is not intended to be a substitute for any GAAP financial measure and, as calculated, may not be comparable to companies in other industries or within the same industry with similarly titled measures of performance. Therefore, our Adjusted EBITDA should be considered in addition to, not as a substitute for, or in isolation from, measures prepared in accordance with GAAP, such as net income or loss.

We define Adjusted EBITDA as net income (loss) excluding interest expense, depreciation and amortization, income tax (benefit) provision, gain on remeasurement of contingent consideration, stock-based compensation, loss on disposal of assets, executive transition costs, litigation costs, strategic initiatives, real estate optimization and restructuring charges, amortization of cloud-based software implementation costs, and other expenses. We include Adjusted EBITDA in this Quarterly Report because it is an important measure upon which our management assesses, and believes investors should assess, our operating performance. We consider Adjusted EBITDA to be an important measure because it helps illustrate underlying trends in our business and our historical operating performance on a more consistent basis.

However, Adjusted EBITDA has limitations as an analytical tool, including:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash used for capital expenditures for such replacements or for new capital expenditures;
- Adjusted EBITDA does not include the dilution that results from equity-based compensation or any cash outflows included in equity-based compensation, including from our repurchases of shares of outstanding common stock; and
- Adjusted EBITDA does not reflect interest expense on our debt or the cash requirements necessary to service interest or principal payments.

A reconciliation of net income (loss) to Adjusted EBITDA is presented below for the three months ended March 31, 2025 and 2024. We encourage investors and others to review our financial information in its entirety, not to rely on any single financial measure and to view Adjusted EBITDA in conjunction with net income (loss).

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
Net income (loss)	\$ 709	\$ (21,097)
Adjusted for:		
Interest expense, net	3,073	5,903
Depreciation and amortization	13,756	22,564
Income tax (benefit) provision	(2,179)	363
Gain on remeasurement of contingent consideration	—	(2,015)
Stock-based compensation expense	18,584	20,581
Loss on disposal of assets	1	74
Executive transition costs	185	31
Litigation costs ⁽¹⁾	205	537
Strategic initiatives ⁽²⁾	—	751
Real estate optimization and restructuring charges ⁽³⁾	(45)	(147)
Amortization of cloud-based software implementation costs ⁽⁴⁾	357	11
Other expenses ⁽⁵⁾	—	95
Adjusted EBITDA	\$ 34,646	\$ 27,651

- (1) Litigation costs include only those costs which are considered non-recurring and outside of the ordinary course of business based on the following considerations, which we assess regularly: (i) the frequency of similar cases that have been brought to date, or are expected to be brought within two years, (ii) the complexity of the case (e.g., complex class action litigation), (iii) the nature of the remedy(ies) sought, including the size of any monetary damages sought, (iv) the counterparty involved, and (v) our overall litigation strategy. During each of the three months ended March 31, 2025 and 2024, litigation costs included cash expenses related to distinct litigation matters, including a privacy class action litigation and a compensation model class action litigation, and for the three months ended March 31, 2024, a securities class action litigation. For a discussion of certain legal proceedings in which we are involved, please read Note 11, Commitments and Contingencies, to our unaudited consolidated financial statements in this report.
- (2) Strategic initiatives consist of expenses directly related to a multi-phase system upgrade in connection with our recent and significant expansion. During the three months ended March 31, 2024, we continued a process of evaluating and adopting critical enterprise-wide systems for (i) human resources management and (ii) clinician credentialing and onboarding process. Strategic initiatives represents costs, such as third-party consulting costs and one-time costs, that are not part of our ongoing operations related to these enterprise-wide systems. We considered the frequency and scale of this multi-part enterprise upgrade when determining that the expenses were not normal, recurring operating expenses.
- (3) Real estate optimization and restructuring charges consist of cash expenses and non-cash charges related to our real estate optimization initiative, which included certain asset impairment and disposal costs, certain gains and losses related to

early lease terminations, and exit and disposal costs related to our real estate optimization initiative to consolidate our physical footprint during 2023. As the decision to close these centers was part of a significant strategic project driven by a historic shift in behavior, the magnitude of center closures was greater than what would be expected as part of ordinary business operations and did not constitute normal recurring operating activities. During the three months ended March 31, 2025 and 2024, real estate optimization and restructuring charges consisted of certain gains and losses related to early lease terminations of previously abandoned real estate leases in 2023.

- (4) Represents amortization of capitalized implementation costs related to cloud-based software arrangements that are included within general and administrative expenses included in our unaudited consolidated statements of operations and comprehensive income (loss).
- (5) Represents costs incurred pre- and post-center acquisition to integrate operations, including expenses related to conversion of compensation model, legacy system costs and data migration, consulting and legal services, and overtime and temporary labor costs, which are included in our unaudited consolidated statements of operations and comprehensive income (loss).

Results of Operations

The following table sets forth a summary of our financial results for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
TOTAL REVENUE	\$ 332,970	\$ 300,437
OPERATING EXPENSES		
Center costs, excluding depreciation and amortization shown separately below	223,179	205,711
General and administrative expenses	94,431	88,934
Depreciation and amortization	13,756	22,564
Total operating expenses	\$ 331,366	\$ 317,209
INCOME (LOSS) FROM OPERATIONS	\$ 1,604	\$ (16,772)
OTHER EXPENSE		
Gain on remeasurement of contingent consideration	—	2,015
Interest expense, net	(3,073)	(5,903)
Other expense	(1)	(74)
Total other expense	\$ (3,074)	\$ (3,962)
LOSS BEFORE INCOME TAXES	(1,470)	(20,734)
INCOME TAX BENEFIT (PROVISION)	2,179	(363)
NET INCOME (LOSS)	\$ 709	\$ (21,097)

Total Revenue

Total revenue increased \$32.6 million, or 11%, to \$333.0 million for the three months ended March 31, 2025 from \$300.4 million for the three months ended March 31, 2024. This was primarily due to an increase of \$32.7 million of patient service revenue and slightly offset by a decrease of \$0.1 million of nonpatient revenue. The increase in patient service revenue was mainly due to a net increase of 699 in total clinicians from organic hiring, resulting in an increase in patient visits of 0.2 million, or 10%. Additionally, TRPV increased year-over-year primarily driven by modest payor rate increases.

We anticipate revenue growth to continue to be driven by our in-house clinician recruiting and de novo strategies as well as our ability to increase patient visits at existing centers through our ability to accommodate virtual sessions in addition to our in-person visits.

Operating Expenses

Center costs, excluding depreciation and amortization

Center costs, excluding depreciation and amortization increased \$17.5 million, or 8%, to \$223.2 million for the three months ended March 31, 2025 from \$205.7 million for the three months ended March 31, 2024. This was primarily due to a \$16.8 million increase in center-based compensation due to the increase in patient visits of 0.2 million from the increase in the total number of clinicians from organic hiring. In addition, occupancy costs consisting of center rent and utilities and other center operating expenses consisting of office supplies and insurance contributed to the increase of \$0.7 million.

We expect our center costs, excluding depreciation and amortization to continue to increase in the short- to medium-term as we strategically invest to expand our business through our in-house clinician recruiting and de novo strategies and to potentially capture more of our market opportunity.

General and administrative expenses

General and administrative expenses increased \$5.5 million, or 6%, to \$94.4 million for the three months ended March 31, 2025 from \$88.9 million for the three months ended March 31, 2024. This was primarily due to increases in salaries, wages and employee benefits of \$2.9 million, other operating expenses of \$3.4 million as a result of professional fees and occupancy costs \$2.0 million. The increase was offset by decreases in stock-based compensation expense of \$2.0 million and third-party consulting costs and one-time costs associated with our strategic initiatives related to the multi-phase system upgrade in connection with our recent and significant expansion of \$0.8 million.

We expect our general and administrative expenses to increase in the foreseeable future due to our planned investments to support company growth.

Depreciation and amortization

Depreciation and amortization expense decreased \$8.8 million to \$13.8 million for the three months ended March 31, 2025 from \$22.6 million for the three months ended March 31, 2024. This was primarily due to the amortization of intangibles and depreciation during the periods.

Other Expense

Interest Expense, net

Interest expense, net decreased \$2.8 million to \$3.1 million for the three months ended March 31, 2025 from \$5.9 million for the three months ended March 31, 2024. This decrease was primarily due to lower interest rates on borrowings outstanding during the period.

Income Tax Benefit (Provision)

Income tax benefit (provision) increased \$2.6 million to a benefit of \$2.2 million for the three months ended March 31, 2025 from a provision of \$0.4 million for the three months ended March 31, 2024 primarily due to non-deductible equity awards for the three months ended March 31, 2025.

Liquidity and Capital Resources

We measure liquidity in terms of our ability to fund the cash requirements of our business operations, including working capital needs, capital expenditures, including to execute on our de novo strategy, contractual obligations, debt service, acquisitions, settlement of contingent considerations obligations, and other commitments with cash flows from operations and other sources of funding. Our principal sources of liquidity to date have included cash from operating activities, cash on hand and amounts available under that certain credit agreement entered into on December 19, 2024, by the Company, LifeStance Health Holdings, Inc., Lynnwood Intermediate Holdings, Inc., Capital One, National Association, and each lender party thereto (the "2024 Credit Agreement"). We had cash and cash equivalents of \$134.3 million and \$154.6 million as of March 31, 2025 and December 31, 2024, respectively.

We believe that our existing cash and cash equivalents will be sufficient to fund our operating and capital needs for at least the next 12 months from the issuance date of our March 31, 2025 unaudited financial statements, without any additional financing. Our assessment of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. Our actual results could vary because of, and our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to acquire new centers and expand into new markets and the expansion of marketing activities. We may in the future enter into arrangements to acquire or invest in complementary businesses, services and technologies. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We may be required to seek additional equity or debt financing. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all. If we are unable to raise additional capital when desired, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations and financial condition would be adversely affected.

Our future obligations primarily consist of our debt and lease obligations. We expect our cash generation from operations and future ability to refinance or secure additional financing facilities to be sufficient to repay our outstanding debt obligations and lease payment obligations. As of March 31, 2025 and December 31, 2024, there was an aggregate principal amount of \$288.2 million and \$290.0 million outstanding under the 2024 Credit Agreement, respectively. As of March 31, 2025, our non-cancellable future minimum operating lease payments totaled \$232.3 million.

Debt

On December 19, 2024, we and our subsidiary, Lynnwood Intermediate Holdings, Inc., entered into the 2024 Credit Agreement. The 2024 Credit Agreement established a senior secured term loan facility (the "Term Loan Facility") and a senior secured revolving loan facility of up to \$100.0 million (the "Revolving Facility").

The loans under the Term Loan Facility and the Revolving Facility bear interest at a rate per annum equal to (x) term Secured Overnight Financing Rate (“SOFR”) (which term SOFR is subject to a minimum of 0.00%) plus an applicable margin of 3.00% subject to stepdowns based on leverage-based metrics or (y) an alternate base rate (which will be the highest of (i) the prime rate, (ii) 0.50% above the federal funds effective rate and (iii) one-month adjusted term SOFR (which term SOFR is subject to a minimum of 0.00%) plus 1.00%) plus an applicable margin of 2.00% subject to stepdowns based on leverage-based metrics.

The 2024 Credit Agreement also contains a maximum Total Net Leverage Ratio (as defined therein) financial maintenance covenant that requires the Total Net Leverage Ratio as of the last day of each fiscal quarter to not exceed 4.50:1.00. Additionally, the 2024 Credit Agreement also contains a maximum Interest Coverage Ratio (as defined therein) financial maintenance covenant that requires the Interest Coverage Ratio as of the last day of each fiscal quarter to not be less than 3.00:1.00. As of March 31, 2025, we were in compliance with all financial covenants under the 2024 Credit Agreement.

Cash Flows

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

	Three Months Ended March 31,	
	2025	2024
<i>(in thousands)</i>		
Net cash used in operating activities	\$ (3,092)	\$ (21,838)
Net cash used in investing activities	(7,168)	(5,104)
Net cash used in financing activities	(9,975)	(2,431)
Net decrease in cash and cash equivalents	\$ (20,235)	\$ (29,373)
Cash and cash equivalents, beginning of period	154,571	78,824
Cash and cash equivalents, end of period	<u>\$ 134,336</u>	<u>\$ 49,451</u>

Cash Flows Used In Operating Activities

During the three months ended March 31, 2025, operating activities used \$3.1 million of cash, primarily impacted by net cash used by changes in operating assets and liabilities of \$47.0 million and partially offset by our \$0.7 million net income and non-cash charges of \$43.2 million. During the three months ended March 31, 2024, operating activities used \$21.8 million of cash, primarily impacted by our \$21.1 million net loss and \$51.2 million in non-cash charges. This was partially offset by changes in our operating assets and liabilities of \$51.9 million.

Cash Flows Used In Investing Activities

During the three months ended March 31, 2025, investing activities used \$7.2 million of cash resulting from our purchases of property and equipment. During the three months ended March 31, 2024, investing activities used \$5.1 million of cash resulting from our purchases of property and equipment.

Cash Flows Used In Financing Activities

During the three months ended March 31, 2025, financing activities used \$10.0 million of cash, resulting primarily from payments of loan obligations of \$1.8 million and payments of taxes related to net share settlement of equity awards of \$8.2 million. During the three months ended March 31, 2024, financing activities used \$2.4 million of cash, resulting primarily from payments of loan obligations of \$0.7 million and payments of contingent consideration of \$1.7 million.

Critical Accounting Estimates

Our consolidated financial statements have been prepared in accordance with GAAP. The consolidated financial statements included elsewhere in this Quarterly Report include the results of LifeStance Health Group, Inc., its wholly-owned subsidiaries and VIEs consolidated by LifeStance Health Group, Inc. in which LifeStance Health Group, Inc. has an interest and is the primary beneficiary for the period ended March 31, 2025. Preparation of the consolidated financial statements requires our management to make judgments, estimates and assumptions that impact the reported amount of total revenue and expenses, assets and liabilities and the disclosure of contingent assets and liabilities. We consider an accounting estimate to be critical when (1) the estimate made in accordance with GAAP is complex in nature or involves a significant level of estimation uncertainty and (2) the use of different judgments, estimates and assumptions have had or are reasonably likely to have a material impact on the financial condition or results of operations in our consolidated financial statements. Actual results could differ materially from those estimates. To the extent that there are material differences between these estimates and our actual results, our future financial statements will be affected. For a description of our policies regarding our critical accounting estimates, see “Critical Accounting Estimates” in our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no significant changes in our critical accounting estimates or methodologies to our consolidated financial statements.

Recently Adopted and Issued Accounting Pronouncements

Recently issued and adopted accounting pronouncements are described in Note 2 to our unaudited consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk represents the risk of loss that may impact our financial condition due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of exposure due to potential changes in inflation or interest rates. We do not hold financial instruments for trading purposes.

Interest Rate Risk

Our primary market risk exposure is changing prime rate-based interest rates. Interest rate risk is highly sensitive due to many factors, including U.S. monetary and tax policies, U.S. and international economic factors and other factors beyond our control.

As of March 31, 2025, we had an aggregate principal amount of \$288.2 million outstanding under our credit facilities. In the current economic environment, we manage interest expense using a combination of variable-rate debt and a fixed-interest-rate swap. In August 2022, we entered into a hedge transaction (interest rate swap) using a derivative financial instrument for the purpose of hedging our exposure to interest rate risks, which the contractual terms of the hedged instrument closely mirror those of the hedged item, providing a high degree of risk reduction and correlation. The objective of entering into the interest rate swap is to eliminate the variability of cash flows in the Secured Overnight Financing Rate interest payments associated with variable-rate loan over the life of the loan under our credit facilities.

We do not believe that an increase or decrease in interest rates of 100 basis points would have a material effect on our business, financial condition or results of operations.

Inflation Risk

Based on our analysis of the periods presented, we believe that inflation has not had a material effect on our operating results. There can be no assurance that future inflation will not have an adverse impact on our operating results and financial condition.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based upon that evaluation, as a result of the material weaknesses in internal control over financial reporting described below, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were not effective as of March 31, 2025 due to the material weaknesses described below.

Previously Reported Material Weaknesses

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim consolidated financial statements will not be prevented or detected on a timely basis. As previously reported in the Annual Report on Form 10-K for the year ended December 31, 2024, in connection with the preparation of our consolidated financial statements as of and for the year ended December 31, 2019, we identified material weaknesses in our internal control over financial reporting, which continue to exist as of March 31, 2025. The material weaknesses we identified were as follows:

We did not design and maintain an effective control environment commensurate with our financial reporting requirements due to an insufficient complement of resources in the accounting/finance and IT functions, with an appropriate level of knowledge, experience and training. This material weakness contributed to the following additional material weaknesses:

- We did not maintain formal accounting policies and procedures, and did not design and maintain effective controls related to significant accounts and disclosures to achieve complete, accurate and timely financial accounting, reporting and disclosures, including controls over account reconciliations, segregation of duties and the preparation and review of journal entries.

These material weaknesses resulted in material misstatements related to the identification and valuation of intangible assets acquired in business combinations that impacted the classification of intangible assets and goodwill, related impacts to amortization and income tax expense, and the restatement of our previously issued annual consolidated financial statements as of and for the years ended December 31, 2019 and 2018 with respect to such intangibles assets acquired in business combinations. Additionally, these material weaknesses could result in a misstatement of substantially all of the financial statement accounts and disclosures that would result in a material misstatement to our annual or interim consolidated financial statements that would not be prevented or detected.

- We did not design and maintain effective controls over IT general controls for information systems that are relevant to the preparation of our consolidated financial statements. Specifically, we did not design and maintain: (i) program change management controls for financial systems to ensure that information technology program and data changes affecting

financial IT applications and underlying accounting records are identified, tested, authorized and implemented appropriately; (ii) user access controls to ensure appropriate segregation of duties and that adequately restrict user and privileged access to financial applications, programs, and data to appropriate Company personnel; (iii) computer operations controls to ensure that critical batch jobs are monitored and data backups are authorized and monitored; and (iv) testing and approval controls for program development to ensure that new software development is aligned with business and IT requirements.

These IT deficiencies did not result in a material misstatement to our consolidated financial statements; however, the deficiencies, when aggregated, could impact maintaining effective segregation of duties, as well as the effectiveness of IT-dependent controls (such as automated controls that address the risk of material misstatement to one or more assertions, along with the IT controls and underlying data that support the effectiveness of system-generated data and reports) that could result in misstatements potentially impacting all financial statement accounts and disclosures that would not be prevented or detected. Accordingly, we have determined these deficiencies in the aggregate constitute a material weakness.

Actions Taken During the Quarter Ended March 31, 2025

The following remediation efforts were completed during the quarter ended March 31, 2025:

- We have enhanced controls related to property and equipment to achieve complete, accurate and timely financial accounting, reporting and disclosures;
- We have enhanced controls related to financing and derivatives to achieve complete, accurate and timely financial accounting, reporting and disclosures;
- We have designed controls related to patch management to ensure software is up-to-date on the most recent security;
- We have enhanced controls related to IT policies that ensure compliance with Sarbanes-Oxley; and
- We have designed controls related to computer operations that ensure data backups are authorized and monitored.

As previously described in Part II, Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2024, we are continuing to enhance our overall control environment and are devoting substantial effort by enhancing our manual or automated controls to remediate the identified material weakness. For a more comprehensive discussion of the remedial measures which are being undertaken to address these material weaknesses, or the Remediation Plan, refer to Part II, Item 9A, "Remediation Plan for Material Weaknesses," of our Annual Report on Form 10-K for the year ended December 31, 2024.

Status of Remediation Efforts

We believe the measures described above will remediate the control deficiencies for the specific areas we have identified and strengthen our internal control over financial reporting. We are committed to continuing to improve our internal control processes and will continue to review, optimize and enhance our financial reporting controls and procedures. As we continue to evaluate and work to improve our internal control over financial reporting, we may take additional measures to address control deficiencies, or we may modify, or in appropriate circumstances not complete, certain of the remediation measures described above. These material weaknesses will not be considered remediated until the applicable remedial controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

We intend to evaluate current and projected resource needs on a regular basis and hire additional qualified resources as needed. Our ability to maintain qualified and adequate resources to support our business and our projected growth will be a critical component of our internal control environment.

Changes in Internal Control over Financial Reporting

We are taking actions to remediate the material weaknesses relating to our internal control over financial reporting. Other than the changes to our internal control over financial reporting described in "Actions Taken During the Quarter Ended March 31, 2025" above, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Disclosure 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. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

For a discussion of certain legal proceedings in which we are involved, please read Note 11, Commitments and Contingencies, to our unaudited consolidated financial statements in this report, which is incorporated into this item by reference.

Item 1A. Risk Factors.

There have been no material changes to our risk factors as previously disclosed under Part I, Item 1A "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2024.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

During our fiscal quarter ended March 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) entered into, modified (as to amount, price or timing of trades) or terminated (i) contracts, instructions or written plans for the purchase or sale of our securities that are intended to satisfy the conditions specified in Rule 10b5-1(c) under the Exchange Act for an affirmative defense against liability for trading in securities on the basis of material nonpublic information or (ii) non-Rule 10b5-1 trading arrangements (as defined in Item 408(c) of Regulation S-K).

Item 6. Exhibits.

Exhibit Number	Description	Description of Exhibit Incorporated Herein by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.1*+	First Amendment to Employment Agreement, dated March 3, 2025, between LifeStance Health Group, Inc. and Kenneth Burdick					X
10.2*+	First Amendment to Employment Agreement, dated March 3, 2025, between LifeStance Health Group, Inc. and David Bourdon					X
10.3*+	Employment Agreement, dated February 25, 2025, between LifeStance Health Group, Inc. and Ryan McGroarty					X
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.					
101.SCH	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents					
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)					

* Filed herewith.

+ Indicates a management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LifeStance Health Group, Inc.

Date: May 7, 2025

By: _____ /s/ Ryan McGroarty
Ryan McGroarty
Chief Financial Officer and Treasurer
(principal financial and accounting officer)

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this "Amendment"), by and between LifeStance Health Group, Inc. (the "Company"), a Delaware corporation with its principal place of business in Scottsdale, Arizona, and Kenneth Burdick (the "Executive"), is entered into effective March 3, 2025 (the "Amendment Effective Date") and amends the Employment Agreement, dated September 7, 2022, between the Company and the Executive (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

WITNESSETH

WHEREAS, the Company and the Executive previously entered into the Agreement;

WHEREAS, Section 20 of the Agreement provides that the Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company; and

WHEREAS, the Company desires to continue to employ the Executive and, effective as of the Amendment Effective Date, to transition the Executive to the position of Executive Chairperson of the Board of Directors, and the Executive desires to accept such continued employment, subject to the terms and conditions set forth in the Agreement, as amended by this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended effective as of the Amendment Effective Date as set forth in this Amendment:

1. Amendment. The Agreement is hereby amended as follows, effective as of the Amendment Effective Date:

(a) Section 3(a) of the Agreement shall be deleted in its entirety and replaced with the following:

“The Executive shall serve the Company as an executive employee and the Executive Chairperson of the Board of Directors of the Company (the ‘Board of Directors’). In addition, and without further compensation, the Executive shall serve as a director of one or more of the Company’s Affiliates (as hereinafter defined) if so elected or appointed from time to time.”

(b) The reference to “the Board” in Section 3(c) of the Agreement shall be replaced with a reference to “the Board of Directors (excluding the Executive)”.

(c) Each reference to “the Board of Directors” in Section 4 of the Agreement shall be deleted in its entirety and replaced with a reference to “the Board of Directors (excluding the Executive)”.

(d) The Base Salary shall be \$200,000.

(e) The target bonus amount referenced in Section 4(b) of the Agreement shall be one hundred percent (100%) of the Executive's then current Base Salary. For the fiscal year in which the Amendment Effective Date occurs, the annual bonus referenced in Section 4(b) of the Agreement shall be calculated on a blended basis, based on the Executive's target bonus and Base Salary before and after the Amendment Effective Date and the portion of the fiscal year that the applicable target bonus and Base Salary were in effect.

(f) Section 4(e) of the Agreement shall be amended by replacing "fifty (50) flight hours" with "twenty-five (25) flight hours" in the first sentence thereof.

(g) Section 5(e) of the Agreement shall be amended by adding of the following sentence after the last sentence of the first paragraph:

"In addition, subject to the requirement for a release of claims as provided in Section 5(i) below, in the event of such termination, any unvested and outstanding time-vesting equity awards held by Executive as of such termination that were scheduled to vest in the twelve (12) month period immediately following such termination (without regard to any accelerated vesting) shall vest in full as of such termination and any performance-vesting equity awards held by the Executive as of such termination shall remain outstanding and eligible to vest based on actual performance for twelve (12) months following such termination and shall vest to the same extent such performance-based equity awards would have vested based on actual performance had the Executive remained employed for such period."

(h) Section 5(g) of the Agreement shall be amended by adding of the following sentence after the last sentence of the first paragraph:

"In addition, subject to the requirement for a release of claims as provided in Section 5(i) below, in the event the Executive retires by mutual agreement with the Board of Directors (excluding the Executive), any unvested and outstanding time-vesting equity awards held by Executive as of such termination that were scheduled to vest in the twelve (12) month period immediately following such termination (without regard to any accelerated vesting) shall vest in full as of such termination and any performance-vesting equity awards held by the Executive as of such termination shall remain outstanding and eligible to vest based on actual performance for twelve (12) months following such termination and shall vest to the same extent such performance-based equity awards would have vested based on actual performance had the Executive remained employed for such period."

2. Equity Awards. For the avoidance of doubt, the Executive's service as a member of the Board of Directors shall be treated as "Employment" for purposes of the Company's 2021 Equity Incentive Plan and the equity-based awards granted to the Executive thereunder, including the equity-based awards granted to the Executive in March 2023.

3. Good Reason Waiver. By signing this Amendment, the Executive acknowledges and agrees that any changes to his position, title, duties, responsibilities, compensation or otherwise

resulting from this Amendment or the transition of the Executive's role as contemplated by this Amendment will not constitute "Good Reason" under the Agreement or for purposes of any other agreement with the Company or any of its Affiliates, and will not entitle the Executive to any severance benefits or the acceleration of any vesting or other rights. For the avoidance of doubt, the Executive expressly waives any right to resign for Good Reason or to receive any severance or other payments or benefits as a result of or in connection with any of the foregoing changes.

4. Affirmation. This Amendment is to be read and construed with the Agreement as constituting one and the same agreement. Except as specifically modified herein, the Agreement shall continue in full force and effect in accordance with all of the terms and conditions thereof.

5. Miscellaneous. This Amendment shall inure to the benefit of, and be binding upon, the Executive, the Company and their respective successors and assigns. This Amendment may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this Amendment electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Amendment.

[Signature page follows immediately.]

IN WITNESS WHEREOF, this Amendment has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE:

LIFESTANCE HEALTH GROUP, INC.

/s/ Kenneth Burdick

Kenneth Burdick

By: /s/ Ryan Pardo

Name: Ryan Pardo

Title: Chief Legal Officer, Vice President and Secretary

[Signature Page to First Amendment to Employment Agreement]

FIRST AMENDMENT TO EMPLOYMENT AGREEMENT

THIS FIRST AMENDMENT TO EMPLOYMENT AGREEMENT (this “Amendment”), by and between LifeStance Health Group, Inc. (the “Company”), a Delaware corporation with its principal place of business in Scottsdale, Arizona, and David Bourdon (the “Executive”), is entered into effective March 3, 2025 (the “Amendment Effective Date”) and amends the Employment Agreement, dated November 2, 2022, between the Company and the Executive (the “Agreement”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreement.

WITNESSETH

WHEREAS, the Company and the Executive previously entered into the Agreement;

WHEREAS, Section 20 of the Agreement provides that the Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company; and

WHEREAS, the Company desires to continue to employ the Executive and, effective as of the Amendment Effective Date, to promote the Executive to the position of Chief Executive Officer, and the Executive desires to accept such continued employment, subject to the terms and conditions set forth in the Agreement, as amended by this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Amendment and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Agreement is hereby amended effective as of the Amendment Effective Date as set forth in this Amendment:

1. **Amendment**. The Agreement is hereby amended as follows, effective as of the Amendment Effective Date:

(a) Section 3(a) of the Agreement shall be deleted in its entirety and replaced with the following:

“The Executive shall serve the Company as its Chief Executive Officer, reporting directly to the Board of Directors of the Company (the “Board of Directors”). In addition, and without further compensation, the Executive shall serve as a member of the Board of Directors and as a director and/or officer of one or more of the Company’s Affiliates (as hereinafter defined), in each case if so elected or appointed from time to time.”

(b) The reference to “the CEO” in Section 3(b) of the Agreement shall be deleted and replaced with a reference to “the Board of Directors or its designee”.

(c) The Base Salary shall be \$700,000.

(d) The target bonus amount referenced in Section 4(b) of the Agreement shall be one hundred percent (100%) of the Executive’s then current Base Salary. For the fiscal year in which

the Amendment Effective Date occurs, the annual bonus referenced in Section 4(b) of the Agreement shall be calculated on a blended basis, based on the Executive's target bonus and Base Salary before and after the Amendment Effective Date and the portion of the fiscal year that the applicable target bonus and Base Salary were in effect.

(e) The reference to "the CEO" in Section 5(c)(ii) of the Agreement shall be deleted.

(f) Each reference to "the Board of Directors" in Section 5(c)(iii) and Section 5(d) of the Agreement shall be deleted and replaced with a reference to "the Board of Directors (excluding the Executive)" in each place where it appears.

(g) The reference to "the CEO" in Section 5(d)(i) of the Agreement shall be deleted and replaced with a reference to "the Board of Directors".

(h) Section 5(e) of the Agreement shall be amended such that the Board of Directors, rather than the Company, may elect to waive the period of notice, or any portion thereof.

(i) Section 5(f)(i) of the Agreement shall be deleted in its entirety and replaced with the following:

"significant diminution in the nature or scope of the Executive's responsibilities, duties or authority (including, without limitation, a diminution due to the Board of Directors having hired another senior executive officer to whom the Executive is requested by the Board of Directors to report, and any change in the Executive's reporting relationship such that he no longer reports directly to the Board of Directors or any change in the Executive's responsibilities, duties or authority as a result of a Change in Control (as defined in the Severance Policy) involving a strategic or non-strategic acquiror as a result of which the Company's common stock ceases to be publicly-traded) without the Executive's consent; provided, however, that the Company's failure to continue the Executive's appointment or election as a member of the Board of Directors or as a director or officer of any of its Affiliates and/or any diminution of the business of the Company or any of its Affiliates shall not constitute Good Reason;"

2. Affirmation. This Amendment is to be read and construed with the Agreement as constituting one and the same agreement. Except as specifically modified herein, the Agreement shall continue in full force and effect in accordance with all of the terms and conditions thereof.

3. Defined Terms. All terms not herein defined shall have the meanings ascribed to them in the Agreement.

4. Miscellaneous. This Amendment shall inure to the benefit of, and be binding upon, the Executive, the Company and their respective successors and assigns. This Amendment may be executed in counterparts, each of which is deemed an original, but all of which constitutes one and the same agreement. Delivery of an executed counterpart of this Amendment electronically or by facsimile shall be effective as delivery of an original executed counterpart of this Amendment.

[Signature page follows immediately.]

IN WITNESS WHEREOF, this Amendment has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE:

LIFESTANCE HEALTH GROUP, INC.

/s/ David Bourdon

David Bourdon

By: /s/ Ryan Pardo

Name: Ryan Pardo

Title: Chief Legal Officer, Vice President and Secretary

[Signature Page to First Amendment to Employment Agreement]

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), by and between LifeStance Health Group, Inc. (the "Company"), a Delaware corporation with its principal place of business in Scottsdale, Arizona, and Ryan McGroarty (the "Executive"), is entered into as of February 25, 2025 and is effective as of the date the Executive actually commences employment with the Company (the "Effective Date"), which is expected to be March 17, 2025.

WITNESSETH

WHEREAS, the Company desires to employ the Executive as its Chief Financial Officer and Treasurer effective as of the Effective Date, and the Executive desires to enter into this Agreement and to accept such employment, subject to the terms and conditions set forth herein; and

WHEREAS, the Executive is willing to enter into this Agreement and agrees that the Executive shall receive good and valuable consideration in exchange for doing so; such consideration includes, but is not limited to, employment with the Company.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual promises, terms, provisions and conditions set forth in this Agreement and other good and valuable consideration, the parties hereby agree as follows:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby agrees to employ the Executive, and the Executive hereby accepts the terms of such employment.
2. Term. The Executive's employment under this Agreement shall continue until terminated pursuant to Section 5 hereof.
3. Capacity and Performance.

(a) The Executive shall serve the Company as its Chief Financial Officer and Treasurer, reporting directly to the Chief Executive Officer of the Company (the "CEO"). In addition, and without further compensation, the Executive shall serve as a director and/or officer of one or more of the Company's Affiliates (as hereinafter defined) if so elected or appointed from time to time.

(b) The Executive shall be employed by the Company on a full-time basis and shall perform the duties and responsibilities of his positions and such other duties and responsibilities on behalf of the Company and its Affiliates as reasonably may be designated from time to time by the CEO.

(c) The Executive shall devote substantially all of his business time and his best efforts, business judgment, skill and knowledge exclusively to the advancement of the business and interests of the Company and its Affiliates and to the discharge of his duties and responsibilities hereunder; provided, that, the Executive may continue to make passive personal investments, engage in outside business activities that do not violate the provisions of Sections 7, 8 or 9 hereof

or engage in other activities for any charitable or other non-profit institution; provided, that, such activities do not conflict with the interests of the Company or any of its Affiliates or otherwise interfere, individually or in the aggregate, with the performance of the Executive's duties and responsibilities or the time required for the discharge of those duties and responsibilities; and, provided, further, that the Executive's service as a member of the board of directors or similar governing body of an entity other than the Company shall be subject to the prior written approval of the Board of Directors of the Company (the "Board of Directors").

4. Compensation and Benefits. During the Executive's employment hereunder, as compensation for all services performed by the Executive hereunder and subject to performance of the Executive's duties and of the obligations of the Executive to the Company and its Affiliates, pursuant to this Agreement or otherwise:

(a) Base Salary. The Company shall pay the Executive a base salary at the rate of Five Hundred and Fifty Thousand Dollars (\$550,000) per annum, payable in accordance with the payroll practices of the Company for its executives (the "Base Salary"). The Base Salary will be reviewed by the Board of Directors or, if applicable, the Compensation Committee thereof, at least annually, and may be increased from time to time in the sole discretion of the Board of Directors or Compensation Committee, as applicable.

(b) Annual Bonus. Beginning for the calendar year starting January 1, 2025, the Executive shall be eligible to receive an annual bonus based upon his performance and that of the Company for each calendar year. The target bonus amount will be a minimum of eighty-five percent (85%) of the Executive's then current Base Salary, and the Executive will be eligible for a bonus in excess of eighty-five percent (85%) of the Executive's then current Base Salary for exceptional performance. Such bonus shall be based on the Executive's and the Company's achievement of the goals and objectives for the relevant calendar year established by the Board of Directors or, if applicable, the Compensation Committee thereof. The amount of the annual bonus payable to the Executive under this Section 4(b) and the satisfaction of such goals and objectives shall be determined following the conclusion of the relevant calendar year by the Board of Directors or, if applicable, the Compensation Committee thereof, and, if earned, such annual bonus shall be paid not later than two and one-half (2^{1/2}) months following the end of the calendar year for which the bonus was earned.

(c) One-Time Signing Bonus. The Executive shall be entitled to receive a one-time cash signing bonus in the amount of \$570,000, less applicable withholdings (the "Signing Bonus"), which shall be paid on or within thirty (30) days following the Effective Date. If the Executive ceases to be employed by the Company for any reason, other than a termination of employment by the Company without Cause or the Executive's resignation for Good Reason, each as defined herein, on or before the third (3rd) anniversary of the Effective Date, the Executive shall repay the Signing Bonus to the Company within thirty (30) days of such termination.

(d) Equity Awards. Subject to the approval of the Board of Directors or the Compensation Committee thereof, as soon as reasonably practicable following the Effective Date, the Executive will be granted a one-time initial equity award in the form of time-based restricted stock units and performance-based restricted stock units of the Company with a target grant date value of approximately \$5,000,000 in the aggregate, as determined by the Board of Directors or

the Compensation Committee thereof using on the Company's typical grant valuation methods (the "Equity Award"). The Equity Award will be granted under and subject to the terms and conditions of the Company's 2021 Equity Incentive Plan and an award agreement or agreements with the Executive thereunder, including the vesting terms specified in such award agreement(s). Subject to the approval of the Board of Directors or the Compensation Committee thereof, for so long as the Executive continues providing services to the Company, the Executive shall be eligible to receive annual equity or equity-based awards commensurate with his status as an executive officer of the Company, any such equity or equity-based awards to be subject to the terms and conditions of the Company's equity incentive plan then in effect and an agreement with the Executive thereunder, which terms and conditions shall control in the event of any conflict with this Agreement. In addition, the Executive will be eligible for an initially annual equity award with a target grant date value of approximately \$2,500,000 in the aggregate pursuant to the Company's then current form of executive leadership grant agreement to be granted as soon as reasonably practicable after the start of Executive's employment with the Company; the amount and timing of any future ongoing grants shall be determined by the Board of Directors and Compensation Committee.

(e) Vacations. The Executive shall be entitled to earn vacation at the rate of four (4) weeks per year, to be taken at such times and intervals as shall be determined by the Executive, subject to the reasonable business needs of the Company. Vacation shall otherwise be governed by the policies of the Company, as in effect from time to time.

(f) Other Benefits. The Executive shall be entitled to participate in any and all Employee Benefit Plans (as defined below) from time to time in effect for employees of the Company generally, including group health, disability and life insurance programs, except to the extent any such Employee Benefit Plan is in a category of benefit otherwise provided to the Executive (e.g., a severance pay plan), it being understood that the Executive shall participate in the Company's Severance and Change in Control Policy (as from time to time amended and in effect, the "Severance Policy"), but shall only receive severance payments and benefits under the Severance Policy in connection with a Qualifying Termination within the Change in Control Period (as such terms are defined in the Severance Policy), which severance payments and benefits shall be no less favorable than those in effect on the Effective Date, and in the event of any other termination of the Executive's employment, the Executive shall be entitled to receive only the severance payments and benefits, if any, set forth in this Agreement (i.e., there shall be no duplication of severance payments and benefits). Any such participation shall be subject to the terms of the applicable plan documents and generally applicable Company policies. The Company may alter, modify, add to or delete its Employee Benefit Plans at any time as it, in its sole judgment, determines to be appropriate, without recourse by the Executive. For purposes of this Agreement, "Employee Benefit Plan" shall have the meaning ascribed to such term in Section 3(3) of ERISA, as amended from time to time.

(g) Business Expenses. The Company shall pay or reimburse the Executive for all reasonable business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to Company policies on business expenses as in effect from time to time for senior executives and to such reasonable substantiation and documentation as may be specified by the Company from time to time. The Executive's right to payment or reimbursement for business expenses hereunder shall be subject to the following additional rules:

(i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year; (ii) payment or reimbursement shall be made not later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred; and (iii) the right to payment or reimbursement shall not be subject to liquidation or exchange for any other benefit.

5. Termination of Employment and Termination Payments. Upon the termination of the Executive's employment, the Executive shall be entitled to payments under the following circumstances as follows.

(a) Final Compensation. In the event of the termination of the Executive's employment for any reason, the Company shall pay to the Executive or, in the event of the Executive's death, to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive in writing, to his estate, the following: (i) any Base Salary earned but not paid during the final payroll period of the Executive's employment through the date of the Executive's termination, (ii) pay for any vacation time earned but not used through the date of the Executive's termination, and (iii) any business expenses incurred by the Executive but un-reimbursed on the date of the Executive's termination (provided that such expenses and required substantiation and documentation are submitted within sixty (60) days of the Executive's termination and are reimbursable under the applicable Company policy in effect at the time) (all of the foregoing, collectively, "Final Compensation"). The payment of Final Compensation shall be made not later than the required payment date under applicable law following the termination of the employment of the Executive.

(b) Death. In the event of the Executive's death, the Executive's employment hereunder shall immediately and automatically terminate and the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive in writing, to his estate, the Executive's Final Compensation.

(c) Disability.

(i) The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes Disabled during his employment hereunder. "Disability" or "Disabled" shall (A) have the meaning set forth in the Company's long-term disability insurance policy in effect from time to time for management employees of the Company or (B) mean the Executive, due to the Executive's illness, injury, accident or condition of either a physical or psychological nature, is unable to perform substantially all of his duties and responsibilities hereunder, notwithstanding the provision of any reasonable accommodation, for one hundred and twenty (120) days during any period of three hundred and sixty-five (365) consecutive calendar days.

(ii) The Board of Directors or the CEO may designate another employee to act in the Executive's place during any period of the Executive's Disability; provided, that, such other employee shall relinquish such duties when the period of the Executive's Disability ends and the Executive is able to continue to perform substantially all of his duties and responsibilities hereunder. Notwithstanding any such designation, the Executive shall continue to receive the Base Salary in accordance with Section 4(a) and benefits in accordance with Section 4(f), to the extent

permitted by the then-current terms of the applicable benefit plans, until the termination of his employment, less any wage continuation payment amounts recovered by the Executive under any health and disability insurance plans or agreements available through the Company.

(iii) If any question arises as to whether, during any period, the Executive is Disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder, the Executive may, and at the request of a majority of the Board of Directors shall, submit to a medical examination by a physician (such physician to be trained in the area of medicine to which the Executive's disability relates) selected by the Board of Directors and to whom the Executive or his duly appointed guardian, if any, has no reasonable objection, to determine whether the Executive is so Disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question arises and the Executive fails to submit to such medical examination, a determination of the issue by a majority of the Board of Directors shall be binding on the Executive.

(d) By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth, in reasonable detail, the nature of such Cause. The following, as determined by a resolution duly adopted by a majority of the members of the Board of Directors, shall constitute Cause for termination:

(i) willful failure to perform (other than by reason of Disability), or refusal to carry out, the lawful duties and responsibilities of the Executive's position or any direction from the CEO which is lawful and reasonably consistent with the Executive's duties and responsibilities, which failure or refusal, if susceptible of cure, remains uncured or continues or recurs after fifteen (15) days' notice from the Company specifying, in reasonable detail, the nature of the failure or refusal;

(ii) material breach by the Executive of any fiduciary duty or of any provision of this Agreement or any other agreement with the Company or any of its Affiliates;

(iii) fraud, embezzlement or other material dishonesty with respect to the Company or gross neglect of duties by the Executive;

(iv) willful engagement in gross misconduct materially injurious to the Company or any of its Affiliates;

or
(v) a plea of guilty or nolo contendere to, or conviction of, a felony or other crime involving moral turpitude.

Upon the giving of notice of termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation to the Executive, other than for Final Compensation.

(e) By the Company Other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause at any time upon ten (10) days' written notice to the Executive. In the event of termination of the Executive's employment pursuant to this Section 5(e), the Company may elect to waive the period of notice, or any portion thereof, and, if

the Company so elects, the Company will pay the Executive his Base Salary for the ten (10)-day notice period (or for any remaining portion of such period). In the event of such termination, in addition to Final Compensation then, subject to the requirement for a release of claims as provided in Section 5(i) below and except as may be provided pursuant to the Severance Policy as contemplated in Section 4(f) above, (i) the Company shall pay the Executive an amount equal to twelve (12) months' of Base Salary at the rate in effect on the date of the Executive's termination; (ii) if the Executive elects to continue his participation in the Company's health and dental insurance plans under the federal law commonly known as "COBRA," the Company shall pay the Executive an amount each month, as taxable compensation, for the full premium cost of the Executive's continued participation in such plans (including coverage for his dependents) for a period of twelve (12) months following the date of the Executive's termination (provided that the Executive is entitled to continue such participation under applicable law and plan terms); and (iii) if the Executive elects to continue his participation in any Company insurance plans in which he was participating on the date of his termination, other than the health and dental insurance plans, the Company shall pay the full premium cost of the Executive's participation in such plans for a period of twelve (12) months following the date of the Executive's termination (provided, that, the Executive is entitled to continue such participation under applicable law and plan terms, and provided, further, that if the Executive is not eligible to continue such participation, the Company shall pay the Executive an amount equal to the amount it would have paid for such continued premium costs as taxable compensation).

The wage continuation and insurance premium payments pursuant to clauses (i), (ii) and (iii) above shall commence not later than sixty (60) days following the termination of employment by the Executive, subject to the requirement for a release of claims as provided in Section 5(i) below.

(f) By the Executive for Good Reason. The Executive may terminate his employment hereunder for Good Reason by providing notice to the Company within thirty (30) days of the initial occurrence of the condition giving rise to Good Reason, setting forth, in reasonable detail, the nature of such Good Reason (the "Notice"). The following, if not cured by the Company within thirty (30) days following receipt of the Notice, shall constitute Good Reason for termination by the Executive:

(i) significant diminution in the nature or scope of the Executive's responsibilities, duties or authority (including, without limitation, a diminution due to the Board of Directors having hired another senior executive officer to whom the Executive is requested by the Board of Directors to report (other than a Chief Executive Officer), and any change in the Executive's reporting relationship such that he no longer reports directly to the CEO or any change in the Executive's responsibilities, duties or authority as a result of a Change in Control (as defined in the Severance Policy) involving a non-strategic acquiror as a result of which the Company's common stock ceases to be publicly-traded) without the Executive's consent; provided, however, that any diminution of the business of the Company or any of its Affiliates shall not constitute "Good Reason";

(ii) significant failure of the Company, without the Executive's consent, to provide the Executive the Base Salary and benefits in accordance with the terms of Section 4 hereof;

(iii) requiring the Executive to relocate his principal place of business, without his consent, more than thirty-five (35) miles from its then-current location; or

(iv) any significant breach of this Agreement by the Company, without the Executive's consent, which has a material adverse effect on the Executive.

The Company will have thirty (30) days from receipt of the Notice to cure the event specified in the Notice, and if it fails to do so, the Executive's employment will terminate for Good Reason on the first day following the expiration of such thirty (30)-day cure period.

In the event of termination in accordance with this Section 5(f), then, subject to the requirement for a release of claims as provided in Section 5(i) below, the Executive will be entitled to the same pay and benefits he would have been entitled to receive had the Executive been terminated by the Company other than for Cause in accordance with Section 5(e) above; provided, that, if the Executive terminates his employment for Good Reason pursuant to Section 5(f)(ii) because the Company has reduced the Executive's Base Salary, the severance payment will be calculated using the Base Salary that was in effect immediately prior to the reduction that triggered the Good Reason.

The wage continuation and insurance premium payments shall commence not later than sixty (60) days following the termination of employment by the Executive, subject to the requirement for a release of claims as provided in Section 5(i) below.

(g) By the Executive Other than for Good Reason. The Executive may terminate his employment hereunder at any time upon thirty (30) days' written notice to the Company, unless such termination would violate any obligation of the Executive to the Company under a separate severance plan or agreement. In the event of termination of the employment of the Executive pursuant to this Section 5(g), the Board of Directors may elect to waive the period of notice, or any portion thereof, and, if the Board of Directors so elects, the Company will pay the Executive his Base Salary for the initial thirty (30) days of the notice period (or for any remaining portion of such period).

(h) Timing of Payments. If, at the time of the Executive's separation from service, the Executive is a "specified employee," as hereinafter defined, any and all amounts payable under this Section 5 in connection with such separation from service that constitute deferred compensation subject to Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the treasury regulations thereunder (collectively, "Section 409A"), as determined by the Company in its sole discretion, and that would (but for this sentence) be payable within six (6) months following such separation from service, shall instead be paid on the date that follows the date of such separation from service by six (6) months. For purposes of the preceding sentence, "separation from service" shall be determined in a manner consistent with Section 409A(a)(2) (A)(i) of the Code and the term "specified employee" shall mean an individual determined by the Company to be a specified employee as defined in Section 409A(a)(2)(B)(i) of the Code.

(i) Release of Claims as a Condition for Payment. Any obligation of the Company to provide any separation payments and benefits to the Executive under Sections 5(e) or 5(f) (not including any Final Compensation) is conditioned upon the Executive signing and returning to the Company a timely and effective release of all claims against the Company, its Affiliates and their

employees, directors, agents and representatives, on a form to be provided by the Company (the “Release of Claims”), which must be executed, if at all, and become irrevocable in accordance with the timing requirements set forth therein and in all events within sixty (60) days of the termination of the employment of the Executive.

(i) The Release of Claims required for the separation payments and benefits creates legally binding obligations on the part of the Executive, and the Company and its Affiliates therefore advise the Executive to seek the advice of an attorney before signing it.

(ii) Any wage continuation and insurance premium payments to which the Executive may be entitled to receive under Sections 5(e) or 5(f) shall be payable in accordance with the normal payroll practices of the Company and will begin on the Company’s next regular pay date which occurs on or after the sixtieth (60th) day following the Executive’s termination of employment; provided, that, the Release of Claims has become effective and irrevocable by such date and has been delivered to the Company, and the first payment shall include all payments that would have otherwise been made between the Executive’s termination of employment and such first regular pay date occurring on or after such sixtieth (60th) day, absent the delay.

6. Effect of Termination. The provisions of this Section 6 shall apply to any termination, whether pursuant to Section 5 or otherwise.

(a) Payment by the Company of any Base Salary and contributions to the cost of the Executive’s continued participation in the Company’s insurance plans, in each case, under the applicable termination provision of Section 5, shall constitute the entire obligation of the Company to the Executive hereunder. The Executive shall promptly give the Company notice of all facts necessary for the Company to determine the amount and duration of its obligations in connection with any termination pursuant to Section 5 hereof.

(b) Except for any right of the Executive to continue participation in the Company’s insurance plans in accordance with Section 5 hereof and applicable law, benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive’s employment without regard to any continuation of Base Salary or other payment to the Executive following such date of termination.

(c) Provisions of this Agreement shall survive any termination if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the obligations of the Executive under Sections 7, 8 and 9 hereof. The obligation of the Company to make payments to or on behalf of the Executive under Sections 5(e) or 5(f) hereof is expressly conditioned upon the Executive’s continued full performance of obligations under Sections 7, 8 and 9 hereof. The Executive recognizes that, except as expressly provided in Section 5, no compensation is earned after termination of employment.

7. Confidential Information.

(a) The Executive shall not, at any time, including following the termination of the Executive’s employment, directly or indirectly (through another Person), disclose (except as permitted by this Agreement or in the normal course of providing services to the Group or as otherwise permitted by the board of directors or managers of a member of the Group) to any Person

the Confidential Information; provided, that, in the event that the Executive is requested or required by applicable law or stock exchange rule (including by request for information or documents in any legal proceeding, interrogatory, discovery requests, subpoena, court order, civil investigative demand or similar process or otherwise) to disclose any Confidential Information, the Executive shall notify (unless prohibited by law) the Company promptly of such request or requirement, so that the Company may seek, at its own expense, an appropriate protective order or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the Executive, on the advice of outside legal counsel (which may be in-house counsel), is required to disclose any Confidential Information, the Executive may disclose such Confidential Information without liability hereunder; provided, however, that the Executive shall use the Executive's commercially reasonable efforts (at the Company's expense) to obtain a protective order or other assurance that confidential treatment will be accorded such Confidential Information by the Executive.

(b) Nothing in this Agreement shall prohibit or restrict any member of the Group, the Executive or their respective attorneys from: (i) making any disclosure of relevant and necessary information or documents in any action, investigation or proceeding or as required by applicable law or legal process, including with respect to possible violations of law; (ii) participating, cooperating or testifying in any action, investigation, or proceeding with, or providing information to, any governmental agency or legislative body, any self-regulatory organization and/or pursuant to the Sarbanes-Oxley Act; or (iii) accepting any U.S. Securities and Exchange Commission awards. In addition, nothing in this Agreement prohibits or restricts any member of the Group or the Executive from initiating communications with, or responding to any inquiry from, any regulatory or supervisory authority regarding any good faith concerns about possible violations of law or regulation.

(c) Pursuant to 18 U.S.C. Section 1833(b), the Executive will not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret of the Group that (i) is made (A) in confidence to a Federal, State, or local government official, either directly or indirectly, or to the Executive's attorney and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (ii) is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the trade secret to the Executive's attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal and does not disclose the trade secret except under court order. Nothing in this Agreement is intended to conflict with 18 U.S.C. Section 1833(b) or create liability for disclosures of trade secrets that are expressly allowed by such section.

8. Assignment of Rights to Inventions. The Executive shall promptly and fully disclose all Inventions, as defined below, to the Company. The Executive hereby assigns and agrees to assign to the Company (or as otherwise directed by the Company) the Executive's full right, title and interest in and to all Inventions. The Executive agrees to execute any and all applications for domestic and foreign patents, copyrights or other proprietary rights and to do such other acts (including, without limitation, the execution and delivery of instruments of further assurance or confirmation) requested by the Company to assign the Inventions to the Company (or as otherwise directed by the Company) and to permit the Company to enforce any patents,

copyrights or other proprietary rights to the Inventions. The Executive will not charge the Company for time spent in complying with these obligations. All copyrightable works that the Executive creates shall be considered “work made for hire” and shall, upon creation, be owned exclusively by the Company.

9. Restricted Activities. The Executive continues to agree that some restrictions on his activities during and after his employment are necessary to protect the goodwill, Confidential Information, trade secrets and other legitimate interests of the Company and its Affiliates:

(a) Non-Competition. During the Executive’s employment and until the eighteen (18)-month anniversary of the date on which the Executive’s employment ceases for any or no reason (unless a court of competent jurisdiction finds that period to be overbroad, in which case until the twelve (12)-month anniversary thereof) (the “Non-Competition Restriction Period”), the Executive shall not directly or indirectly (through another Person) own, acquire or control any interest, financial or otherwise, in, and/or otherwise manage, operate, control or participate in the ownership, management, operation or control of, loan or otherwise provide financing or financial assistance of any kind to, be employed by or otherwise provide services to, or otherwise engage in, any Restricted Business throughout the Restricted Territory, in each case, for pay or not for pay; provided, however, that the Executive shall be entitled to own not more than two percent (2%) of the issued and outstanding equity securities of any class of securities of any entity that engages in a Restricted Business so long as the Executive does not have any active participation in the business of such entity. For the avoidance of doubt, the Executive may provide services to an entity which engages in a Restricted Business through a division, unit, subsidiary or affiliate so long as the Executive does not provide services, directly or indirectly (through another Person), to such division, unit, subsidiary or affiliate.

(b) Covenant Not to Solicit Customers. The Executive covenants and agrees that, while the Executive is employed by the Company and for eighteen (18) months following his termination of employment (together, the “Restriction Period”), the Executive shall not, directly or indirectly, (i) solicit or encourage any customer of the Company or any of its Affiliates to terminate or diminish such customer’s relationship with them; or (ii) seek to persuade any customer of the Company or any of its Affiliates to conduct with any other Person any business or activity which such customer conducts or could conduct with the Company or any of its Affiliates; provided, that, these restrictions shall apply (A) only with respect to any Person who is or has been a customer of the Company or any of its Affiliates at any time within the immediately preceding two (2)-year period or whose business has been solicited on behalf of the Company or any of the Affiliates by any of their officers, employees or agents within said two (2)-year period, other than by form letter, blanket mailing or published advertisement, and (B) only if the Executive has performed work for such Person during the Executive employment or been introduced to, or otherwise had contact with, such Person as a result of the Executive’s employment or other associations with the Company or one of its Affiliates or has had access to Confidential Information which would assist in the Executive’s solicitation of such Person.

(c) Covenant Not to Solicit or Hire. The Executive covenants and agrees that, during the Restriction Period, the Executive shall not, directly or indirectly, (i) solicit, recruit, induce or encourage any employee, clinician, independent contractor or service provider of any member of

the Group to leave the employ of or cease providing services to any member of the Group; (ii) hire, employ, recruit or otherwise engage any Restricted Person; provided, that, absent a violation of clause (i) above, the Executive may undertake the actions in this clause (ii) with respect to third party service providers who are not clinicians and who do not provide services primarily to a member of the Group; or (iii) take any other action that is intended to induce or encourage, or has the direct and intended effect of inducing or encouraging any Restricted Person to terminate his or her employment with, or cease providing services to, any member of the Group; provided, that, the foregoing shall not prohibit any Person from (A) making general employment solicitations such as through advertisements in publicly available media so long as such advertisements are not specifically targeted at any Restricted Person and no Restricted Person is hired as a result thereof (other than pursuant to the proviso in clause (ii) above) or (B) providing a reference unrelated to any solicitation or hiring otherwise prohibited by this Section 9(c).

(d) Return of Company Property. Within ten (10) days following the date of any termination of the Executive's employment, or upon the Company's earlier request, the Executive, or the Executive's personal representative, shall return all property of the Group and its Affiliates in the Executive's possession, including, but not limited to, all computer equipment (hardware and software), telephones, tablet computers and other communication devices, credit cards, office keys, security access cards, badges, identification cards and all copies of any documentation or information (however stored) relating to the business of the Group and its Affiliates or their respective current or prospective customers or clients. Anything to the contrary notwithstanding, the Executive shall be entitled to retain (i) personal papers and other materials of a personal nature, provided that such papers or materials do not include Confidential Information; (ii) information showing the Executive's compensation or relating to reimbursement of the Executive's business expenses; and (iii) copies of plans, programs and agreements relating to the Executive's employment, or termination thereof, with the Group or its Affiliates which the Executive received in the Executive's capacity as a participant therein.

(e) Non-Disparagement. During the Executive's employment and at any time after termination thereof, the Executive shall not, directly or indirectly (through another Person), make any statement, written or oral, that would disparage or criticize the business or reputation of any member of the Group or any such Group member's officers, managers, directors or employees; provided, however, that nothing in this Section 9(e) shall prevent the Executive from (i) giving truthful testimony obtained through subpoena or court order, (ii) giving any truthful information provided pursuant to investigation by any governmental authority, (iii) giving any truthful information provided pursuant to any claim by a party to this Agreement or any employment or compensation-related agreement of the Executive, (iv) correcting inaccurate statements made about, as applicable, the Executive or any member of the Group or (v) making statements in the normal course of providing services to a member of the Group (including performance reviews by, as applicable, the Executive or a member of the Group).

(f) Tolling. Notwithstanding any other provision to the contrary herein, the Restriction Period shall be tolled (and the applicable period extended) during the pendency of any action seeking to enforce or determine the enforceability of the covenants contained in this Agreement if it is ultimately determined that the Executive was in breach of such covenants during the pendency of such action or if any temporary restraining order, injunction, judgment or settlement is entered

against or agreed to by the Executive by reason of such alleged violations during the pendency of such actions.

(g) The Executive agrees that, during his employment with the Company, he will not undertake any outside activity, whether or not competitive with the business of the Group, that could reasonably give rise to a conflict of interest or otherwise interfere, whether individually or in the aggregate, with his duties and obligations to the Group.

10. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the restraints imposed upon him pursuant to Sections 7, 8 and 9 hereof. The Executive agrees without reservation that (a) each of the restraints contained herein is necessary for the reasonable and proper protection of the goodwill, Confidential Information and other legitimate interests of the Company and its Affiliates; (b) each and every one of those restraints is reasonable in respect to subject matter, length of time and geographic area; and (c) these restraints, individually or in the aggregate, will not prevent him from obtaining other suitable employment during the period in which the Executive is bound by these restraints and will not otherwise impose an undue hardship on him. The Executive further agrees that he will never assert, or permit to be asserted on his behalf, in any forum, any position contrary to the foregoing. The Executive further acknowledges that, were he to breach any of the covenants contained in Sections 7, 8 or 9 hereof, the damage to the Company would be irreparable. The Executive therefore agrees that the Company, in addition to any other remedies available to it, shall be entitled to preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of said covenants, without having to post bond. The parties further agree that, in the event that any provision of Section 7, 8 or 9 hereof shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities, such provision shall be deemed to be modified to permit its enforcement to the maximum extent permitted by law.

11. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound, and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

12. Definitions. Words or phrases which are initially capitalized or are within quotation marks shall have the meanings provided in this Section 12 and as provided elsewhere herein. For purposes of this Agreement, the following definitions apply:

(a) "Affiliates" means any Person controlled by, controlling or under common control with the Company.

(b) "Confidential Information" means (i) any proprietary or confidential matters concerning any member of the Group, including the business, products, markets, condition (financial or other), operations, processes, intellectual property, customers, vendors, pricing,

results of operations, cash flows, prospects and affairs of any member of the Group, and (ii) any information, including the terms, conditions or any other facts, relating to this Agreement and any other agreements or transactions contemplated by this Agreement, or any confidential discussions or negotiations related to this Agreement, in each case, that are not disclosed in a publicly filed document; provided, that, “Confidential Information” shall not include information (A) that is or becomes available to the public or within the industry of a member of the Group, other than as a result of disclosure by the Executive in violation of the Executive’s obligations under this Agreement, (B) that becomes available to the Executive on a non-confidential basis from a source other than the Company or its Affiliates, provided that such source is not known by the Executive to be bound by a legal, fiduciary or contractual obligation of confidentiality or secrecy with respect to such information, or (C) that is or was independently developed by the Executive without use of or reliance on Confidential Information.

(c) “Group” means the Company and its Affiliates.

(d) “Inventions” means any and all inventions, formulas, discoveries, developments, designs, innovations, improvements or processes (whether or not patentable or copyrightable or constituting trade secrets) conceived, made, created, developed or reduced to practice by the Executive (whether alone or with others, whether or not during normal business hours or on or off Group member premises) during the Executive’s employment.

(e) “Person” means an individual, a corporation, a limited liability company, an association, a partnership, an estate, a trust and any other entity or organization, other than the Company or any of its Affiliates.

(f) “Restricted Business” means (i) any business that competes with any service or product offering conducted by any member of the Group during the Executive’s employment or as of the termination of the Executive’s employment or (ii) any other business being actively and demonstrably contemplated to be conducted by any member of the Group during the Executive’s employment or as of the termination of the Executive’s employment; provided, that, with respect to application of the non-competition covenant after termination of the Executive’s employment, as set forth in Section 9(a), Restricted Business shall not include any business that a member of the Group was actively and demonstrably contemplating during the Executive’s employment, but that no member of the Group is conducting, or actively and demonstrably contemplating, as of the termination of the Executive’s employment.

(g) “Restricted Persons” means employees, clinicians, independent contractors and services providers of the Group.

(h) “Restricted Territory” means the United States, unless a court of competent jurisdiction determines that that geographic scope is unenforceable under applicable law because it is too broad, in which case the Restricted Territory shall be amended by eliminating geographical areas and states from the following list until the Restricted Territory is determined to be reasonable: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North

Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.

13. Indemnification. To the maximum extent permitted from time to time under the Company's Certification of Incorporation, Bylaws, and the law of the State of Delaware, the Executive shall be entitled to indemnification in connection with any investigation, action, suit, proceeding or claim made against or naming the Executive in his capacity as an officer of the Company.

14. Taxes.

(a) All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

(b) The intent of the parties is that payments and benefits under this Agreement comply with Section 409A, to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Without limiting the foregoing, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, the Executive shall not be considered to have terminated employment with the Company for purposes of this Agreement and no payment shall be due to the Executive under this Agreement until the Executive would be considered to have incurred a "separation from service" within the meaning of Section 409A. Each amount to be paid or benefit to be provided to the Executive pursuant to this Agreement that constitutes deferred compensation subject to Section 409A shall be treated as a separate payment for purposes of Section 409A.

(c) In the event that it is determined that any payment or benefit of any type to or for the Executive's benefit made by the Company, by any of its Affiliates, by any Person who acquires ownership or effective control or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder (collectively, "Section 280G")) or by any affiliate of such person, whether pursuant to the terms of this Agreement or otherwise (any such payments or benefits, collectively, the "Total Payments"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest or penalties, are collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive (A) such lesser amount as would result in no portion of such payments or benefits being subject to the Excise Tax or (B) if the Total Payments (without regard to clause (A)), reduced by all applicable taxes (including, for the avoidance of doubt, the Excise Tax), would be greater than the lesser amount described in clause (A) reduced by all taxes applicable thereto, the Total Payments. If the Total Payments must be reduced as provided in clause (A) of the previous sentence, the reduction shall occur in the following order (on a pro rata basis among payments or benefits within each category, except as provided below): (1) reduction of cash payments for which the full amount is treated as a "parachute payment" (as defined under Section 280G); (2) cancellation of accelerated vesting (or, if necessary, payment) of cash payments for which the full amount is not treated as a parachute payment; (3) reduction of any continued employee benefits and (4) cancellation of any accelerated vesting of equity awards. In selecting the equity awards (if any) for which vesting will be reduced under clause (4) of the preceding sentence, awards shall be selected in a manner that

maximizes the after-tax aggregate amount of reduced Total Payments provided to the Executive, provided that if (and only if) necessary in order to avoid the imposition of an additional tax under Section 409A of the Code, awards instead shall be selected in the reverse order of the date of grant. If two or more equity awards are granted on the same date, each award will be reduced on a pro-rata basis. The Executive and the Company shall furnish such documentation and documents as may be necessary for the Company's independent external accountants or other advisors to perform the requisite Section 280G computations and analysis. The Company shall bear the costs of performing any calculations contemplated by this Section 14(c).

15. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, that, the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Executive is transferred to a position with any of the Affiliates or in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into, any Person or transfer all or substantially all of its properties or assets to any Person. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, their respective successors, executors, administrators, heirs and permitted assigns.

16. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances, other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

17. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

18. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person, consigned to a reputable national courier service or deposited in the United States mail, postage prepaid, registered or certified, and addressed to the Executive at his last known address on the books of the Company or, in the case of the Company, at its principal place of business, attention of the Chairman of the Compensation Committee, or to such other address as either party may specify by notice to the other actually received.

19. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment.

20. Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by an expressly authorized representative of the Company.

21. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

22. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

23. Governing Law. This is an Arizona state contract and shall be construed and enforced under and be governed in all respects by the laws of the State of Arizona, without regard to any conflict of laws principles that would result in the application of the laws of another jurisdiction.

[Signature page follows immediately.]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE:

LIFESTANCE HEALTH GROUP, INC.

/s/ Ryan McGroarty

Ryan McGroarty

By: /s/ Ryan Pardo

Name: Ryan Pardo

Title: Chief Legal Officer, Vice President and Secretary

[Signature Page to Employment Agreement]

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Bourdon, certify that:

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

Date: May 7, 2025

By: _____ /s/ David Bourdon
David Bourdon
Chief Executive Officer

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

In connection with the Quarterly Report of LifeStance Health Group, Inc. (the "Company") on Form 10-Q for the period ending March 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David Bourdon, Chief Executive Officer of LifeStance Health Group, Inc., hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 7, 2025

By: _____ /s/ David Bourdon
David Bourdon
Chief Executive Officer
