

**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 September 30, 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 October 29, 2025, the registrant had 389,000,281 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 new centers 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 September 30, 2025

**LIFESTANCE HEALTH GROUP, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(unaudited)

(In thousands, except for par value)

	September 30, 2025	December 31, 2024
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 203,903	\$ 154,571
Patient accounts receivable, net	121,073	131,802
Prepaid expenses and other current assets	35,401	26,137
Total current assets	<u>360,377</u>	<u>312,510</u>
<b>NONCURRENT ASSETS</b>		
Property and equipment, net	162,672	166,041
Right-of-use assets	145,706	147,878
Intangible assets, net	180,753	190,799
Goodwill	1,293,346	1,293,346
Other noncurrent assets	6,115	7,724
Total noncurrent assets	<u>1,788,592</u>	<u>1,805,788</u>
Total assets	<u>\$ 2,148,969</u>	<u>\$ 2,118,298</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 12,215	\$ 7,242
Accrued payroll expenses	113,772	117,461
Other accrued expenses	42,144	46,942
Operating lease liabilities, current	47,377	49,449
Other current liabilities	13,052	7,792
Total current liabilities	<u>228,560</u>	<u>228,886</u>
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net	269,392	279,790
Operating lease liabilities, noncurrent	144,185	148,699
Deferred tax liability, net	13,986	14,329
Other noncurrent liabilities	105	309
Total noncurrent liabilities	<u>427,668</u>	<u>443,127</u>
Total liabilities	<u>\$ 656,228</u>	<u>\$ 672,013</u>
<b>COMMITMENTS AND CONTINGENCIES (see Note 11)</b>		
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock – par value \$0.01 per share; 25,000 shares authorized as of September 30, 2025 and December 31, 2024; 0 shares issued and outstanding as of September 30, 2025 and December 31, 2024	—	—
Common stock – par value \$0.01 per share; 800,000 shares authorized as of September 30, 2025 and December 31, 2024; 389,000 and 382,735 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	3,890	3,827
Additional paid-in capital	2,309,145	2,259,818
Accumulated other comprehensive income	—	929
Accumulated deficit	(820,294)	(818,289)
Total stockholders' equity	<u>1,492,741</u>	<u>1,446,285</u>
Total liabilities and stockholders' equity	<u>\$ 2,148,969</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)*

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
TOTAL REVENUE	\$ 363,809	\$ 312,722	\$ 1,042,090	\$ 925,490
OPERATING EXPENSES				
Center costs, excluding depreciation and amortization shown separately below	247,227	212,291	707,286	632,527
General and administrative expenses	95,615	85,269	287,421	269,356
Depreciation and amortization	13,557	15,115	41,319	56,279
Total operating expenses	<u>\$ 356,399</u>	<u>\$ 312,675</u>	<u>\$ 1,036,026</u>	<u>\$ 958,162</u>
INCOME (LOSS) FROM OPERATIONS	<u>\$ 7,410</u>	<u>\$ 47</u>	<u>\$ 6,064</u>	<u>\$ (32,672)</u>
OTHER EXPENSE				
Gain on remeasurement of contingent consideration	—	15	—	1,975
Transaction costs	—	(29)	—	(821)
Interest expense, net	(2,814)	(5,413)	(8,787)	(17,139)
Other expense	(24)	(2)	(117)	(80)
Total other expense	<u>\$ (2,838)</u>	<u>\$ (5,429)</u>	<u>\$ (8,904)</u>	<u>\$ (16,065)</u>
INCOME (LOSS) BEFORE INCOME TAXES	4,572	(5,382)	(2,840)	(48,737)
INCOME TAX (PROVISION) BENEFIT	(3,495)	(575)	835	(1,594)
NET INCOME (LOSS)	<u>\$ 1,077</u>	<u>\$ (5,957)</u>	<u>\$ (2,005)</u>	<u>\$ (50,331)</u>
EARNINGS (LOSS) PER SHARE				
Basic	<u>\$ 0.00</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.13)</u>
Diluted	<u>\$ 0.00</u>	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.13)</u>
Weighted-average shares outstanding				
Basic	<u>386,963</u>	<u>380,359</u>	<u>385,672</u>	<u>378,713</u>
Diluted	<u>388,895</u>	<u>380,359</u>	<u>385,672</u>	<u>378,713</u>
NET INCOME (LOSS)	\$ 1,077	\$ (5,957)	\$ (2,005)	\$ (50,331)
OTHER COMPREHENSIVE LOSS				
Unrealized losses on cash flow hedge, net of tax	(345)	(1,872)	(929)	(1,532)
COMPREHENSIVE INCOME (LOSS)	<u>\$ 732</u>	<u>\$ (7,829)</u>	<u>\$ (2,934)</u>	<u>\$ (51,863)</u>

*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 June 30, 2025	389,077	\$ 3,891	\$ 2,291,056	\$ 345	\$ (821,371)	\$ 1,473,921
Net income	—	—	—	—	1,077	1,077
Issuance of common stock upon vesting of restricted stock units	116	1	(210)	—	—	(209)
Forfeitures	(193)	(2)	2	—	—	—
Other comprehensive loss	—	—	—	(345)	—	(345)
Stock-based compensation expense	—	—	18,297	—	—	18,297
Balances at September 30, 2025	<u>389,000</u>	<u>\$ 3,890</u>	<u>\$ 2,309,145</u>	<u>\$ —</u>	<u>\$ (820,294)</u>	<u>\$ 1,492,741</u>

	Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensiv e Income	Accumulate d Deficit	Total Stockholders' Equity
	Shares	Amount				
Balances at June 30, 2024	383,314	\$ 3,833	\$ 2,228,771	\$ 2,643	\$ (805,220)	\$ 1,430,027
Net loss	—	—	—	—	(5,957)	(5,957)
Issuance of common stock upon vesting of restricted stock units	63	—	—	—	—	—
Forfeitures	(737)	(7)	7	—	—	—
Other comprehensive loss	—	—	—	(1,872)	—	(1,872)
Stock-based compensation expense	—	—	14,895	—	—	14,895
Balances at September 30, 2024	<u>382,640</u>	<u>\$ 3,826</u>	<u>\$ 2,243,673</u>	<u>\$ 771</u>	<u>\$ (811,177)</u>	<u>\$ 1,437,093</u>

*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 loss	—	—	—	—	(2,005)	(2,005)
Issuance of common stock upon vesting of restricted stock units	6,540	66	(8,673)	—	—	(8,607)
Forfeitures	(275)	(3)	3	—	—	—
Other comprehensive loss	—	—	—	(929)	—	(929)
Stock-based compensation expense	—	—	57,997	—	—	57,997
Balances at September 30, 2025	<u>389,000</u>	<u>\$ 3,890</u>	<u>\$ 2,309,145</u>	<u>\$ —</u>	<u>\$ (820,294)</u>	<u>\$ 1,492,741</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	—	—	—	—	(50,331)	(50,331)
Issuance of common stock upon vesting of restricted stock units	7,126	70	(70)	—	—	—
Forfeitures	(3,211)	(33)	33	—	—	—
Other comprehensive loss	—	—	—	(1,532)	—	(1,532)
Stock-based compensation expense	—	—	60,026	—	—	60,026
Balances at September 30, 2024	<u>382,640</u>	<u>\$ 3,826</u>	<u>\$ 2,243,673</u>	<u>\$ 771</u>	<u>\$ (811,177)</u>	<u>\$ 1,437,093</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)*

	<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (2,005)	\$ (50,331)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	41,319	56,279
Non-cash operating lease costs	31,265	29,431
Stock-based compensation	57,997	60,026
Amortization of discount and debt issue costs	762	1,264
Gain on remeasurement of contingent consideration	—	(1,975)
Other, net	1,440	998
Change in operating assets and liabilities, net of businesses acquired:		
Patient accounts receivable, net	10,729	(32,757)
Prepaid expenses and other current assets	(10,410)	(3,924)
Accounts payable	2,868	620
Accrued payroll expenses	(3,689)	9,381
Operating lease liabilities	(35,829)	(34,300)
Other accrued expenses	(5,856)	10,232
Net cash provided by operating activities	<u>\$ 88,591</u>	<u>\$ 44,944</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(25,214)	(15,265)
Net cash used in investing activities	<u>\$ (25,214)</u>	<u>\$ (15,265)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of long-term debt	(5,438)	(2,194)
Payments of contingent consideration	—	(3,694)
Taxes related to net share settlement of equity awards	(8,607)	—
Net cash used in financing activities	<u>\$ (14,045)</u>	<u>\$ (5,888)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>49,332</b>	<b>23,791</b>
Cash and Cash Equivalents - Beginning of period	154,571	78,824
<b>CASH AND CASH EQUIVALENTS – END OF PERIOD</b>	<u><b>\$ 203,903</b></u>	<u><b>\$ 102,615</b></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest, net	\$ 13,253	\$ 19,023
Cash paid for taxes, net of refunds	\$ 1,564	\$ 59
<b>SUPPLEMENTAL DISCLOSURES OF NON CASH INVESTING AND FINANCING ACTIVITIES</b>		
Acquisition of property and equipment included in liabilities	\$ 4,484	\$ 1,203

*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 nine months ended September 30, 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 September 30, 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.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40) - Targeted Improvements to the Accounting for Internal-Use Software* ("ASU 2025-06"). ASU 2025-06 modernizes the accounting for internal-use software costs by increasing the operability of the recognition guidance considering different methods of software development. ASU 2025-06 is effective for public business entities for annual reporting periods beginning after December 15, 2027, and interim periods within those fiscal years. Early adoption is permitted and should be applied using a prospective, retrospective or a modified transition approach. The Company is in the process of evaluating the impact of the adoption of ASU 2025-06 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 September 30,				Nine Months Ended September 30,			
	2025		2024		2025		2024	
	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue	Amount	% of Total Revenue
Commercial	\$ 327,138	90%	\$ 283,264	91%	\$ 940,433	90%	\$ 840,943	91%
Government	20,070	5%	14,850	5%	54,964	5%	43,016	5%
Self-pay	14,212	4%	11,619	3%	39,050	4%	33,231	3%
Total patient service revenue	361,420	99%	309,733	99%	1,034,447	99%	917,190	99%
Nonpatient service revenue	2,389	1%	2,989	1%	7,643	1%	8,300	1%
<b>Total</b>	<b>\$ 363,809</b>	<b>100%</b>	<b>\$ 312,722</b>	<b>100%</b>	<b>\$ 1,042,090</b>	<b>100%</b>	<b>\$ 925,490</b>	<b>100%</b>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Payor A	13%	16%	14%	17%
Payor B	15%	16%	15%	15%

#### NOTE 4 PROPERTY AND EQUIPMENT, NET

Property and equipment, net consists of the following:

	September 30, 2025	December 31, 2024
Leasehold improvements	\$ 182,967	\$ 173,840
Computers and peripherals	22,640	23,740
Internal-use software	8,582	9,273
Furniture, fixtures and equipment	44,243	42,836
Medical equipment	966	842
Construction in process	13,997	7,874
Total	\$ 273,395	\$ 258,405
Less: Accumulated depreciation	(110,723)	(92,364)
<b>Total property and equipment, net</b>	<b>\$ 162,672</b>	<b>\$ 166,041</b>

Depreciation expense consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Depreciation expense	\$ 10,344	\$ 10,409	\$ 31,273	\$ 30,559

#### 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Operating lease costs	\$ 14,329	\$ 13,817	\$ 42,514	\$ 41,231

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:

	September 30, 2025	December 31, 2024
Weighted-average remaining lease term (in years)	4.1	4.1
Weighted-average discount rate	7.75%	7.50%

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

	Nine Months Ended September 30,	
	2025	2024
<b>Cash paid for amounts included in the measurement of lease liabilities</b>		
Operating cash flows from operating leases	\$ 49,782	\$ 48,502
<b>Noncash lease activity</b>		
Right-of-use lease assets obtained in exchange for new operating lease liabilities	\$ 29,501	\$ 13,752

The future minimum lease payments under noncancellable operating leases as of September 30, 2025 are as follows:

Year Ended December 31,	Amount
Remainder of 2025	\$ 10,494
2026	65,878
2027	53,890
2028	41,215
2029	26,000
Thereafter	28,714
<b>Total lease payments</b>	<b>\$ 226,191</b>
Less: imputed interest	(34,629)
<b>Total lease liabilities</b>	<b>\$ 191,562</b>

## NOTE 6 GOODWILL AND INTANGIBLE ASSETS

### Goodwill

Goodwill was \$1,293,346 as of September 30, 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)
<b>September 30, 2025</b>				
Regional trade names	\$ 36,694	\$ (36,132)	\$ 562	4.0
LifeStance trade names	235,500	(56,340)	179,160	22.5
Non-competition agreements	94,535	(93,504)	1,031	4.2
<b>Total intangible assets</b>	<b>\$ 366,729</b>	<b>\$ (185,976)</b>	<b>\$ 180,753</b>	
<b>December 31, 2024</b>				
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
<b>Total intangible assets</b>	<b>\$ 366,729</b>	<b>\$ (175,930)</b>	<b>\$ 190,799</b>	

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Amortization expense	\$ 3,213	\$ 4,706	\$ 10,046	\$ 25,720

## 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 was hedged against the interest rate swap at a fixed rate. The interest rate swap matured on September 30, 2025.

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) was designated and qualified 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 and nine months ended September 30, 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:

	<b>Consolidated balance sheets location</b>	<b>December 31, 2024</b>
Interest rate swap	Prepaid expenses and other current assets	\$ 1,272

*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:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
<b>Assets Measured at Fair Value</b>		
Money market funds	\$ 141,778	\$ 119,616
<b>Level 1</b>	<b>\$ 141,778</b>	<b>\$ 119,616</b>
Interest rate swap asset	\$ —	\$ 1,272
<b>Level 2</b>	<b>\$ —</b>	<b>\$ 1,272</b>
<b>Total assets measured at fair value</b>	<b>\$ 141,778</b>	<b>\$ 120,888</b>

**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 September 30, 2025 and December 31, 2024.

Long-term debt consists of the following:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Term loan	\$ 284,563	\$ 290,000
Less: Current portion of long-term debt	(12,688)	(7,250)
Less: Unamortized discount and debt issue costs <sup>(1)</sup>	(2,483)	(2,960)
<b>Total Long-Term Debt, Net of Current Portion and Unamortized Discount and Debt Issue Costs</b>	<b><u>\$ 269,392</u></b>	<b><u>\$ 279,790</u></b>

- (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 September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest expense, net	\$ 2,814	\$ 5,413	\$ 8,787	\$ 17,139

Future principal payments on long-term debt as of September 30, 2025 are as follows:

<b>Year Ended December 31,</b>	<b>Amount</b>
Remainder of 2025	\$ 1,813
2026	14,500
2027	14,500
2028	21,750
2029	232,000
<b>Total</b>	<b><u>\$ 284,563</u></b>

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 September 30, 2025 and December 31, 2024 was \$281,478 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 September 30, 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 nine months ended September 30, 2025:

	Unvested Shares	Weighted-Average Grant Date Fair Value
Unvested, December 31, 2024	2,255	\$ 11.98
Vested	—	11.98
Forfeited	(275)	11.98
<b>Unvested, September 30, 2025</b>	<b>1,980</b>	<b>\$ 11.98</b>

### Restricted Stock Units ("RSU")

The following is a summary of RSU transactions as of and for the nine months ended September 30, 2025:

	Unvested Shares	Weighted-Average Grant Date Fair Value
Outstanding, December 31, 2024	24,003	\$ 6.72
Granted	12,606	7.67
Vested	(6,540)	6.95
Canceled and forfeited	(3,718)	7.28
<b>Outstanding, September 30, 2025</b>	<b>26,351</b>	<b>\$ 7.03</b>

### Stock Options

The following is a summary of stock option activity as of and for the nine months ended September 30, 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	—	—		
<b>Outstanding, September 30, 2025</b>	<b>13,476</b>	<b>\$ 7.42</b>	<b>5.68</b>	<b>\$ —</b>
Exercisable at September 30, 2025	3,265	\$ 7.48	5.67	\$ —
Vested or expected to vest at September 30, 2025	13,476	\$ 7.42	5.68	\$ —

### 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Stock-based compensation expense	\$ 18,297	\$ 14,895	\$ 57,997	\$ 60,026

As of September 30, 2025, the Company had \$131,265 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 2.4 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 September 30, 2025, no shares of common stock have been purchased under the Company's ESPP.

### NOTE 10 INCOME TAXES

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Provision (benefit) for income taxes	\$ 3,495	\$ 575	\$ (835)	\$ 1,594

The effective tax rates are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Effective tax rate	76.4%	(10.7)%	29.4%	(3.3)%

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.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was enacted in the U.S. The OBBBA includes significant provisions, such as the immediate expensing of domestic research and development expenditures, the reinstatement of 100% bonus depreciation on qualified property, and a change in the limitation on the deduction of business interest expense. The Company evaluated OBBBA after it was enacted and estimated its impact on the consolidated financial statements to be immaterial. The Company will continue to evaluate the impact of OBBBA as further information becomes available.

## 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 September 30, 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.

## 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Numerator</b>				
Net income (loss) available to common stockholders'	\$ 1,077	\$ (5,957)	\$ (2,005)	\$ (50,331)
<b>Denominator</b>				
Weighted-average shares - basic	386,963	380,359	385,672	378,713
Dilutive effect of outstanding stock-based awards	1,932	—	—	—
Weighted-average shares - diluted	388,895	380,359	385,672	378,713
<b>Earnings (loss) per share</b>				
Basic	\$ 0.00	\$ (0.02)	\$ (0.01)	\$ (0.13)
Diluted	\$ 0.00	\$ (0.02)	\$ (0.01)	\$ (0.13)

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:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
RSAs, RSUs and stock options	37,286	40,522	41,807	40,522

## 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 7,996 licensed mental health clinicians as of September 30, 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.

### Regulatory Trends

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the U.S. The OBBBA contains a variety of provisions that could impact the healthcare industry with changes to Medicaid programs, including but not limited to, Medicaid renewal and eligibility rules. Additional federal and state guidance is expected to be issued in order to implement these OBBBA provisions, most of which have effective dates in 2027 and 2028. While we serve Medicaid patients, OBBBA is not expected to have a material impact on our business and results of operations as a result of the changes to the Medicaid programs.

## 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 September 30, 2025, we employed 7,996 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 7,996 clinicians employed through our subsidiaries and supported practices, as of September 30, 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 new 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 2.3 million and 6.6 million visits in the three and nine months ended September 30, 2025, respectively. 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.

#### *New Centers*

Our new 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 new 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 new center 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 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Total revenue	\$ 363,809	\$ 312,722	\$ 1,042,090	\$ 925,490
Revenue growth	16%	19%	13%	19%
Income (loss) from operations	7,410	47	6,064	(32,672)
Center Margin	116,582	100,431	334,804	292,963
Net income (loss)	1,077	(5,957)	(2,005)	(50,331)
Adjusted EBITDA	40,209	30,713	108,860	86,969

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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Income (loss) from operations	\$ 7,410	\$ 47	\$ 6,064	\$ (32,672)
Adjusted for:				
Depreciation and amortization	13,557	15,115	41,319	56,279
General and administrative expenses <sup>(1)</sup>	95,615	85,269	287,421	269,356
<b>Center Margin</b>	<b>\$ 116,582</b>	<b>\$ 100,431</b>	<b>\$ 334,804</b>	<b>\$ 292,963</b>

- (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 provision (benefit), gain on remeasurement of contingent consideration, stock-based compensation, loss on disposal of assets, transaction costs, 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 and nine months ended September 30, 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 September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
Net income (loss)	\$ 1,077	\$ (5,957)	\$ (2,005)	\$ (50,331)
Adjusted for:				
Interest expense, net	2,814	5,413	8,787	17,139
Depreciation and amortization	13,557	15,115	41,319	56,279
Income tax provision (benefit)	3,495	575	(835)	1,594
Gain on remeasurement of contingent consideration	—	(15)	—	(1,975)
Stock-based compensation expense	18,297	14,895	57,997	60,026
Loss on disposal of assets	24	2	117	80
Transaction costs <sup>(1)</sup>	—	29	—	821
Executive transition costs	577	—	1,296	591
Litigation costs <sup>(2)</sup>	(70)	224	1,088	1,053
Strategic initiatives <sup>(3)</sup>	—	134	—	1,292
Real estate optimization and restructuring charges <sup>(4)</sup>	(6)	—	(103)	(250)
Amortization of cloud-based software implementation costs <sup>(5)</sup>	444	298	1,199	478
Other expenses <sup>(6)</sup>	—	—	—	172
<b>Adjusted EBITDA</b>	<b>\$ 40,209</b>	<b>\$ 30,713</b>	<b>\$ 108,860</b>	<b>\$ 86,969</b>

(1) Primarily includes capital markets advisory, consulting, accounting and legal expenses related to our underwritten public offering completed in the second quarter of 2024.

(2) Litigation costs, net of insurance recoveries, 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 and nine months ended September 30, 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 and nine months ended September 30, 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.

(3) Strategic initiatives consist of expenses directly related to a multi-phase system upgrade in connection with our recent and significant expansion. During the three and nine months ended September 30, 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.

- (4) 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 and nine months ended September 30, 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.
- (5) 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).
- (6) 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 and includes severance expense unrelated to integration services, 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 and nine months ended September 30, 2025 and 2024:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
<i>(in thousands)</i>				
TOTAL REVENUE	\$ 363,809	\$ 312,722	\$ 1,042,090	\$ 925,490
<b>OPERATING EXPENSES</b>				
Center costs, excluding depreciation and amortization shown separately below	247,227	212,291	707,286	632,527
General and administrative expenses	95,615	85,269	287,421	269,356
Depreciation and amortization	13,557	15,115	41,319	56,279
Total operating expenses	<u>\$ 356,399</u>	<u>\$ 312,675</u>	<u>\$ 1,036,026</u>	<u>\$ 958,162</u>
INCOME (LOSS) FROM OPERATIONS	\$ 7,410	\$ 47	\$ 6,064	\$ (32,672)
<b>OTHER EXPENSE</b>				
Gain on remeasurement of contingent consideration	—	15	—	1,975
Transaction costs	—	(29)	—	(821)
Interest expense, net	(2,814)	(5,413)	(8,787)	(17,139)
Other expense	(24)	(2)	(117)	(80)
Total other expense	<u>\$ (2,838)</u>	<u>\$ (5,429)</u>	<u>\$ (8,904)</u>	<u>\$ (16,065)</u>
INCOME (LOSS) BEFORE INCOME TAXES	4,572	(5,382)	(2,840)	(48,737)
INCOME TAX (PROVISION) BENEFIT	(3,495)	(575)	835	(1,594)
NET INCOME (LOSS)	<u>\$ 1,077</u>	<u>\$ (5,957)</u>	<u>\$ (2,005)</u>	<u>\$ (50,331)</u>

### Total Revenue

Total revenue increased \$51.1 million, or 16%, to \$363.8 million for the three months ended September 30, 2025 from \$312.7 million for the three months ended September 30, 2024. This was primarily due to an increase of \$51.7 million of patient service revenue and slightly offset by a decrease of \$0.6 million of nonpatient revenue. The increase in patient service revenue was mainly due to a net increase of 764 in total clinicians from organic hiring and an increase in clinician productivity, resulting in an increase in patient visits of 0.3 million, or 17%. Additionally, TRPV decreased year-over-year primarily driven by a single payor rate decrease partially offset by modest payor rate increases.

Total revenue increased \$116.6 million, or 13%, to \$1,042.1 million for the nine months ended September 30, 2025 from \$925.5 million for the nine months ended September 30, 2024. This was primarily due to an increase of \$117.3 million of patient service revenue and slightly offset by a decrease of \$0.7 million of nonpatient revenue. The increase in patient service revenue was mainly due to a net increase of 764 in total clinicians from organic hiring and an increase in clinician productivity, resulting in an increase in patient visits of 0.7 million, or 13%. Additionally, TRPV decreased year-over-year primarily driven by a single payor rate decrease mostly offset by modest payor rate increases.

We anticipate revenue growth to continue to be driven by our in-house clinician recruiting and new center 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 \$34.9 million, or 16%, to \$247.2 million for the three months ended September 30, 2025 from \$212.3 million for the three months ended September 30, 2024. This was primarily due to a \$33.5 million increase in center-based compensation due to the increase in patient visits of 0.3 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 \$1.4 million.

Center costs, excluding depreciation and amortization increased \$74.8 million, or 12%, to \$707.3 million for the nine months ended September 30, 2025 from \$632.5 million for the nine months ended September 30, 2024. This was primarily due to a \$72.0 million increase in center-based compensation due to the increase in patient visits of 0.7 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 \$2.8 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 new center strategies and to potentially capture more of our market opportunity.

#### *General and administrative expenses*

General and administrative expenses increased \$10.3 million, or 12%, to \$95.6 million for the three months ended September 30, 2025 from \$85.3 million for the three months ended September 30, 2024. This was primarily due to increases in salaries, wages and employee benefits of \$4.8 million, stock-based compensation expense of \$3.4 million, other operating expenses of \$1.0 million as a result of primarily marketing and professional fees and occupancy costs of \$1.1 million.

General and administrative expenses increased \$18.0 million, or 7%, to \$287.4 million for the nine months ended September 30, 2025 from \$269.4 million for the nine months ended September 30, 2024. This was primarily due to increases in salaries, wages and employee benefits of \$10.6 million, other operating expenses of \$6.7 million as a result of primarily marketing and professional fees and occupancy costs of \$4.0 million. The increase was slightly 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 \$1.3 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 \$1.5 million to \$13.6 million for the three months ended September 30, 2025 from \$15.1 million for the three months ended September 30, 2024. This was primarily due to the amortization of intangibles and depreciation during the periods.

Depreciation and amortization expense decreased \$15.0 million to \$41.3 million for the nine months ended September 30, 2025 from \$56.3 million for the nine months ended September 30, 2024. This was primarily due to the amortization of intangibles and depreciation during the periods.

### **Other Expense**

#### *Interest Expense, net*

Interest expense, net decreased \$2.6 million to \$2.8 million for the three months ended September 30, 2025 from \$5.4 million for the three months ended September 30, 2024. This decrease was primarily due to lower interest rates on borrowings outstanding during the period.

Interest expense, net decreased \$8.3 million to \$8.8 million for the nine months ended September 30, 2025 from \$17.1 million for the nine months ended September 30, 2024. This decrease was primarily due to lower interest rates on borrowings outstanding during the period.

#### *Income Tax (Provision) Benefit*

Income tax (provision) benefit increased \$2.9 million to a provision of \$3.5 million for the three months ended September 30, 2025 from a provision of \$0.6 million for the three months ended September 30, 2024 primarily due to taxable income and non-deductible equity awards for the three months ended September 30, 2025.

Income tax (provision) benefit increased \$2.4 million to a benefit of \$0.8 million for the nine months ended September 30, 2025 from a provision of \$1.6 million for the nine months ended September 30, 2024 primarily due to taxable loss and non-deductible equity awards for the nine months ended September 30, 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 new center 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 \$203.9 million and \$154.6 million as of September 30, 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 September 30, 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 September 30, 2025 and December 31, 2024, there was an aggregate principal amount of \$284.6 million and \$290.0 million outstanding under the 2024 Credit Agreement, respectively. As of September 30, 2025, our non-cancellable future minimum operating lease payments totaled \$226.2 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 September 30, 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:

	<b>Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<i>(in thousands)</i>		
Net cash provided by operating activities	\$ 88,591	\$ 44,944
Net cash used in investing activities	(25,214)	(15,265)
Net cash used in financing activities	(14,045)	(5,888)
Net increase in cash and cash equivalents	\$ 49,332	\$ 23,791
Cash and cash equivalents, beginning of period	154,571	78,824
Cash and cash equivalents, end of period	\$ 203,903	\$ 102,615

#### *Cash Flows Provided By Operating Activities*

During the nine months ended September 30, 2025, operating activities provided \$88.6 million of cash, primarily impacted by non-cash charges of \$132.8 million and partially offset by net cash used by changes in operating assets and liabilities of \$42.2 million and our \$2.0 million net loss. During the nine months ended September 30, 2024, operating activities provided \$44.9 million of cash, primarily impacted by our \$50.3 million net loss and \$146.0 million in non-cash charges. This was partially offset by changes in our operating assets and liabilities of \$50.8 million.

#### *Cash Flows Used In Investing Activities*

During the nine months ended September 30, 2025, investing activities used \$25.2 million of cash resulting from our purchases of property and equipment. During the nine months ended September 30, 2024, investing activities used \$15.3 million of cash resulting from our purchases of property and equipment.

#### *Cash Flows Used In Financing Activities*

During the nine months ended September 30, 2025, financing activities used \$14.0 million of cash, resulting primarily from payments of loan obligations of \$5.4 million and payments of taxes related to net share settlement of equity awards of \$8.6 million. During the nine months ended September 30, 2024, financing activities used \$5.9 million of cash, resulting primarily from payments of loan obligations of \$2.2 million and payments of contingent consideration of \$3.7 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 September 30, 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. We may from time to time utilize interest rate swaps to manage overall borrowing costs and reduce exposure to adverse fluctuations in interest rates.

As of September 30, 2025, we had an aggregate principal amount of \$284.6 million outstanding 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 September 30, 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 September 30, 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 September 30, 2025**

The following remediation efforts were completed during the quarter ended September 30, 2025:

- We have designed and enhanced controls related to the business combinations process;
- We have designed and enhanced 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;
- We have designed and enhanced user access controls to ensure that user access and roles are periodically reviewed and procedures are in place for the provisioning and deprovisioning of privileged access to financial applications, programs, and data to appropriate company personnel;

- We have enhanced controls related to password configurations and have accelerated the implementation of single sign-on for multiple applications to further reduce risk; and
- We have designed and enhanced application changes for reports for various applications.

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 September 30, 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 September 30, 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 from time to time, 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 September 30, 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	
31.1*	<a href="#">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.</a>					X
31.2*	<a href="#">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.</a>					X
32.1*	<a href="#">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.</a>					X
32.2*	<a href="#">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.</a>					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: November 6, 2025

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

**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: November 6, 2025

By: \_\_\_\_\_ /s/ David Bourdon  
**David Bourdon**  
*Chief Executive Officer*







