

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 8-K**

CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
Date of Report (Date of earliest event reported): May 2, 2023

**Talkspace, Inc.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-39314**  
(Commission  
File Number)

**84-4636604**  
(I.R.S. Employer  
Identification No.)

**622 Third Avenue, New York, New York**  
(Address of principal executive offices)

**10017**  
(Zip Code)

**(212) 284-7206**  
(Registrant's telephone number, including area code)

**Not Applicable**  
(Former name or former address, if changed since last report)

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

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	TALK	Nasdaq Global Select Market
Warrants to purchase common stock	TALKW	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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

**Item 2.02. Results of Operations and Financial Condition.**

Talkspace, Inc. (the “Company”) issued a press release on May 2, 2023 announcing its financial results for the first quarter ended March 31, 2023. A copy of the press release issued in connection with this announcement is furnished as Exhibit 99.1 attached hereto.

The information in this Item 2.02, including the information contained in Exhibit 99.1 of this Current Report on Form 8-K, is being furnished hereby and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 7.01. Regulation FD Disclosure.**

On May 2, 2023, the Company posted supplementary slides (the “Slides”) regarding the Company’s financial results for the first quarter of fiscal year 2023 ended March 31, 2023 on the Company’s investor relations website at <https://investors.talkspace.com/investor-relations>. The Slides are furnished as Exhibit 99.2. The Company may use the Slides, in whole or in part, and possibly with minor modifications, in connection with presentations to investors after such date.

The information contained in the Slides is summary information that is intended to be considered in the context of the Company’s Securities and Exchange Commission (“SEC”) filings and other public announcements that the Company may make, by press release or otherwise, from time to time. The Company undertakes no duty or obligation to publicly update or revise the information contained in this report, although it may do so from time to time as its management believes is warranted. Any such updating may be made through the filing of other reports or documents with the SEC, through press releases or through other public disclosure.

This information in this Item 7.01, including the information contained in Exhibit 99.2 of this Current Report on Form 8-K, is being furnished hereby and shall not be deemed to be “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

Exhibit Number	Description
<a href="#">99.1</a>	<a href="#">Press Release issued by Talkspace, Inc. dated May 2, 2023.</a>
<a href="#">99.2</a>	<a href="#">Supplementary Slides: Talkspace, Inc. 2023 First Quarter Earnings Presentation - May 2, 2023.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

---

**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, hereunto duly authorized.

**Talkspace, Inc.**

Date: May 2, 2023

By: /s/ Jennifer Fulk  
Jennifer Fulk  
Chief Financial Officer

---



## Talkspace Announces First Quarter 2023 Results

B2B payor sessions grew 90% year-over-year

1Q 2023 Operating expenses of \$25.8 million, down 29% year-over-year

1Q 2023 Net loss of \$8.8 million; Narrowed Adjusted EBITDA<sup>1</sup> loss to \$6.4 million, down 28% sequentially

Raises FY 2023 Revenue and Adjusted EBITDA guidance, now expects to reach break-even by 1Q 2024

**NEW YORK, New York - May 2, 2023** – Talkspace, Inc. (NASDAQ: TALK), today reported first quarter 2023 financial results.

Period Ended March 31, 2023 (Unaudited)	Three Months	
	Results	Variance from Prior Year %
<i>(In thousands unless otherwise noted)</i>		
Number of B2B eligible lives at period end <i>(in millions)</i> <sup>2</sup>	98	28 %
Number of completed B2B sessions	171.7	90 %
Number of B2C active members at period end	15.1	(32)%
Total revenue	\$ 33,336	11 %
Gross profit	\$ 16,748	11 %
Gross margin %	50.2%	0.4 pts
Operating expenses	\$ 25,787	(29)%
Net loss	\$ (8,758)	57 %
Adjusted EBITDA <sup>1</sup>	\$ (6,430)	65 %
Cash and cash equivalents at period end	\$ 125,083	(32)%

(1) Adjusted EBITDA is a non-GAAP financial measure. For a definition of the measure and a reconciliation to the most directly comparable GAAP measure, see “Reconciliation of Non-GAAP Results to GAAP Results.”

(2) Does not include ~14M lives added after March 31st, 2023; Total covered lives were 112M as of May 2nd, 2023.

Dr. Jon Cohen, CEO of Talkspace, said, “We continue to experience strong momentum in our payor business, as we expand our relationship with commercial partners and further activate our member base. We further increased the size and efficiency of our clinical network, as we continue to build a holistic suite of products to provide high-quality care to a broad range of customers. We believe we have a tremendous opportunity in front of us, and we remain confident in our ability to deliver profitable growth.”

Jennifer Fulk, CFO of Talkspace said, “Our revenue growth accelerated significantly in the first quarter, with the business-to-business (“B2B”) categories contributing 70% of revenue in the period. We continued our work to optimize our cost structure to drive operating leverage, narrowing our losses while growing revenue as we advance toward our goal of reaching break-even profitability.”

## First Quarter 2023 Key Performance Metrics

- Revenue increased 11% over the prior-year period to \$33.3 million, driven by a 71% increase in the B2B revenue categories year-over-year, partially offset by a 40% year-over-year consumer revenue decline.
- Gross profit increased 11% over the prior-year period to \$16.7 million, and gross margin expanded to 50.2% year-over-year, driven by higher network productivity.
- Operating expenses were \$25.8 million, down 29% year-over-year, driven by a reduction across all our operating cost categories.
- Net Loss was \$(8.8) million, an improvement from \$(20.4) million in the first quarter of 2022, primarily driven by lower operating expenses and an increase in revenues.

## Financial Outlook

The following guidance is based on current market conditions and expectations and what the Company knows today.

For the Fiscal Year 2023, Talkspace expects:

- Revenue to be in the range of \$130 million to \$135 million, improved from \$125 million to \$135 million
- Adjusted EBITDA loss to be in the range of \$(21) million to \$(24) million, improved from \$(28) million to \$(32) million

The Company now expects to reach break-even Adjusted EBITDA by the end of the first quarter of 2024, one quarter earlier than initially guided, with a cash balance of over \$95 million.

## Conference Call, Presentation Slides, and Webcast Details

The conference call will be available via audio webcast at [investors.talkspace.com](https://investors.talkspace.com) and can also be accessed by dialing (888) 330-2391 for U.S. participants, or +1 (240) 789-2702 for international participants, and referencing participant code 2348878. A replay will be available shortly after the call's completion and remain available for approximately 90 days.

## About Talkspace

Talkspace (Nasdaq: TALK) is a leading virtual behavioral healthcare company committed to helping people lead healthier, happier lives through access to high-quality mental healthcare. At Talkspace, we believe that mental healthcare is core to overall healthcare and should be available to everyone.

Talkspace pioneered the ability to text with a licensed therapist from anywhere and now offers a comprehensive suite of mental health services from self-guided products to individual and couples therapy, in addition to psychiatric treatment and medication management. With Talkspace's core psychotherapy offering, members are matched with one of thousands of licensed providers across all 50 states and can choose from a variety of subscription plans including live video, text or audio chat sessions and/or asynchronous text messaging.

All care offered at Talkspace is delivered through an easy-to-use, fully-encrypted web and mobile platform that meets HIPAA, federal, and state regulatory requirements. Talkspace covers approximately 112 million lives as of May 2, 2023, through our partnerships with employers, health plans, and paid benefits programs.

For more information, visit [www.talkspace.com](https://www.talkspace.com).

## Forward Looking Statements

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking, including statements regarding our financial condition, anticipated financial performance, achieving profitability, business strategy and plans, market opportunity and expansion and objectives of our management for future operations. These forward-looking statements generally are identified by the words “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “intend,” “may,” “might,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strategy,” “strive,” “target,” “will,” or “would”, the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many important factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to factors and the other risks and uncertainties described under the caption “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission (“SEC”) on March 10, 2023, and our other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise unless required to do so under applicable law. We do not give any assurance that we will achieve our expectations.

## Contacts

For Investors:  
Sloane & Co.  
Neal Nagarajan  
(301) 273-5662  
[nnagarajan@sloanepr.com](mailto:nnagarajan@sloanepr.com)

For Media:  
SKDK  
John Kim  
(310) 997-5963  
[jkim@skdknick.com](mailto:jkim@skdknick.com)

**Talkspace, Inc.**  
**Condensed Consolidated Statements of Operations**  
*Unaudited*

	Three Months Ended March 31,		% Change
	2023	2022 <sup>(1)</sup>	
<i>(in thousands, except percentages, share and per share data)</i>			
Revenue:			
Payor revenue	\$ 14,811	\$ 8,110	82.6
DTE revenue	8,676	5,661	53.3
Total B2B revenue	23,487	13,771	70.6
Consumer revenue	9,849	16,379	(39.9)
Total revenue	33,336	30,150	10.6
Cost of revenues	16,588	15,129	9.6
Gross profit	16,748	15,021	11.5
Operating expenses:			
Research and development, net	5,353	5,035	6.3
Clinical operations, net	1,601	1,776	(9.9)
Sales and marketing	13,469	21,408	(37.1)
General and administrative	5,364	8,010	(33.0)
Total operating expenses	25,787	36,229	(28.8)
Operating loss	(9,039)	(21,208)	57.4
Financial income, net	(424)	(869)	(51.2)
Loss before taxes on income	(8,615)	(20,339)	57.6
Taxes on income	143	21	581.0
Net loss	\$ (8,758)	\$ (20,360)	57.0
Net loss per share:			
<i>Basic and Diluted</i>	\$ (0.05)	\$ (0.13)	61.5
Weighted average number of common shares:			
<i>Basic and Diluted</i>	161,797,781	154,083,443	

(1) For the three months ended March 31, 2022, payor revenue has been reclassified to include post-session member revenue related to MBH which was previously included within consumer revenue.

**Talkspace, Inc.**  
**Condensed Consolidated Balance Sheets**

<i>(in thousands)</i>	<u>March 31, 2023</u>	<u>December 31, 2022</u>
	<i>(Unaudited)</i>	
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 125,083	\$ 138,545
Accounts receivable	12,460	9,640
Other current assets	3,813	4,372
<u>Total current assets</u>	<u>141,356</u>	<u>152,557</u>
Property and equipment, net	563	677
Intangible assets, net	2,343	2,529
Other assets	518	491
<u>Total assets</u>	<u>\$ 144,780</u>	<u>\$ 156,254</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 7,674	\$ 6,461
Deferred revenues	4,123	4,355
Accrued expenses and other current liabilities	9,800	16,502
<u>Total current liabilities</u>	<u>21,597</u>	<u>27,318</u>
Warrant liabilities	1,128	939
Other liabilities	418	461
<u>Total liabilities</u>	<u>23,143</u>	<u>28,718</u>
Commitments and contingencies		
<b>STOCKHOLDERS' EQUITY:</b>		
Common stock	16	16
Additional paid-in capital	381,581	378,722
Accumulated deficit	(259,960)	(251,202)
<u>Total stockholders' equity</u>	<u>121,637</u>	<u>127,536</u>
<u>Total liabilities and stockholders' equity</u>	<u>\$ 144,780</u>	<u>\$ 156,254</u>

**Talkspace, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
**Unaudited**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<i>(in thousands)</i>		
<b><u>Cash flows from operating activities:</u></b>		
Net loss	\$ (8,758)	\$ (20,360)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	306	429
Stock-based compensation	2,303	2,368
Remeasurement of warrant liabilities	189	(875)
Increase in accounts receivable	(2,820)	(800)
Decrease in other current assets	559	4,923
Increase in accounts payable	1,213	2,061
Decrease in deferred revenues	(232)	(1,160)
Decrease in accrued expenses and other current liabilities	(6,702)	(1,837)
(Decrease) increase in other long-term liabilities	(95)	105
Net cash used in operating activities	(14,037)	(15,146)
<b><u>Cash flows from investing activities:</u></b>		
Purchase of property and equipment	(9)	(88)
Proceeds from sale of property and equipment	28	—
Net cash provided by (used in) investing activities	19	(88)
<b><u>Cash flows from financing activities:</u></b>		
Proceeds from exercise of stock options	621	2,063
Payments for employee taxes withheld related to vested stock-based awards	(65)	(558)
Net cash provided by financing activities	556	1,505
Net decrease in cash and cash equivalents	(13,462)	(13,729)
Cash and cash equivalents at the beginning of the period	138,545	198,256
Cash and cash equivalents at the end of the period	\$ 125,083	\$ 184,527

## Non-GAAP Financial Measures

In addition to our financial results determined in accordance with GAAP, we believe adjusted EBITDA, a non-GAAP measure, is useful in evaluating our operating performance, and our management uses it as a key performance measure to assess our operating performance. Because adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes and in evaluating acquisition opportunities. We also use adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial measure, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. We believe that the use of adjusted EBITDA is helpful to our investors as it is a metric used by management in assessing the health of our business and our operating performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Some of the limitations of adjusted EBITDA include (i) adjusted EBITDA does not necessarily reflect capital commitments to be paid in the future and (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and adjusted EBITDA does not reflect these requirements. In evaluating adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments described herein. Our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. Our adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate adjusted EBITDA in the same manner as we calculate the measure, limiting its usefulness as a comparative measure. Adjusted EBITDA should not be considered as an alternative to loss before income taxes, net loss, loss per share, or any other performance measures derived in accordance with U.S. GAAP. When evaluating our performance, you should consider adjusted EBITDA alongside other financial performance measures, including our net loss and other GAAP results.

A reconciliation is provided below for adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review our financial statements prepared in accordance with GAAP and the reconciliation of our non-GAAP financial measure to its most directly comparable GAAP financial measure, and not to rely on any single financial measure to evaluate our business. We do not provide a forward-looking reconciliation Adjusted EBITDA guidance as the amount and significance of the reconciling items required to develop meaningful comparable GAAP financial measures cannot be estimated at this time without unreasonable efforts. These reconciling items could be meaningful.

## Adjusted EBITDA

We calculate adjusted EBITDA as net loss adjusted to exclude (i) depreciation and amortization, (ii) interest and other expenses (income), net, (iii) tax benefit and expense, and (iv) stock-based compensation expense.

**Talkspace, Inc.**  
**Reconciliation of Non-GAAP Results to GAAP Results**  
**Unaudited**

	Three Months Ended	
	March 31,	
	2023	2022
<i>(in thousands)</i>		
Net loss	\$ (8,758)	\$ (20,360)
Add:		
Depreciation and amortization	306	429
Financial income, net <sup>(1)</sup>	(424)	(869)
Taxes on income	143	21
Stock-based compensation	2,303	2,368
Adjusted EBITDA	<u>\$ (6,430)</u>	<u>\$ (18,411)</u>

1) For the three months ended March 31, 2023, financial income, net, primarily consisted of \$0.6 million of interest income from our money market accounts offset by \$0.2 million in losses resulting from the remeasurement of warrant liabilities. For the three months ended March 31, 2022, financial income net, primarily consisted of \$0.9 million in gains resulting from the remeasurement of warrant liabilities.



Feeling better starts with a single message

**2023 First Quarter Earnings Presentation**  
May 2, 2023

# Disclaimer

This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking, including statements regarding our financial condition, anticipated financial performance, achieving profitability, business strategy and plans, market opportunity and expansion and objectives of our management for future operations. These forward-looking statements generally are identified by the words "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "forecast," "future," "intend," "may," "might," "opportunity," "plan," "possible," "potential," "predict," "project," "should," "strategy," "strive," "target," "will," or "would", the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many important factors could cause actual future events to differ materially from the forward-looking statements in this presentation, including but not limited to: our history of losses; the rapid evolution of our business and the markets in which we operate; our ability to continue growing at the rates we have historically grown, or at all; the development of the virtual behavioral health market; a deterioration in general economic conditions as a result of inflation, increased interest rates or otherwise; competition in our industry; and our relationships with affiliated professional entities to provide physician and other professional services. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in under the caption "Risk Factors" in our Annual Report on Form 10-K for the annual period ended December 31, 2022 filed with the Securities and Exchange Commission ("SEC") on March 10, 2023 and in our other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

Certain information contained in this presentation relate to or are based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party sources to be reliable as of the date of this presentation, it has not independently verified, and makes no representation as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources, and you are urged not to give undue weight to such third-party information. While the Company believes its internal research is reliable, such research has not been verified by any independent source.

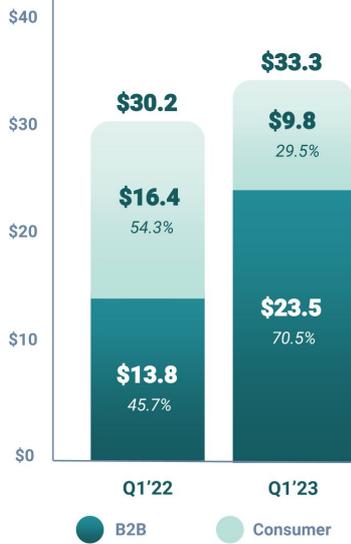
This presentation may contain the measure Adjusted EBITDA, Adjusted EBITDA margin, and non-GAAP costs and expenses (including non-GAAP cost of revenue, research and development, sales and marketing, and general and administrative), which are non-GAAP financial measure. For additional information about the measure and a reconciliation to the most closely comparable GAAP measure see the Talkspace Investors Relations website at [investors@talkspace.com](mailto:investors@talkspace.com).

# 1Q 2023 Performance

## Highlights

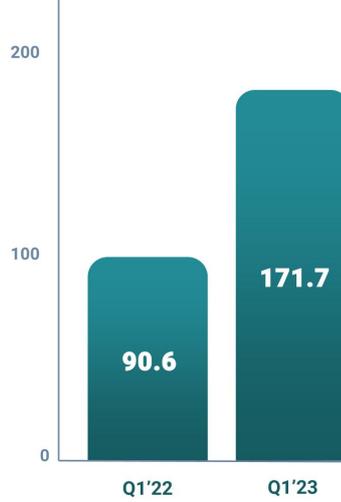
Revenue and Composition

USD, millions



B2B Payor Sessions<sup>2</sup>

thousands



Adjusted EBITDA<sup>3</sup> Loss

USD, millions



(1) Revenue is presented on an as-reported basis, with the exception of 1Q'22, which was reclassified to include post-session member revenue related to MBH.  
 (2) Includes sessions from Employee Assistance Programs ("EAP") and Managed Behavioral Health ("MBH").  
 (3) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to the most directly comparable GAAP measure, see the appendix to this presentation.

# Executing on Our Strategic Priorities

## 1. Payor Revenue Growth

- Higher capture rate and user engagement driven by marketing and product optimization
- Expanded covered lives through existing and new payor relationships

## 2. Direct-to-Enterprise Growth

- Enhancing value proposition for our customers
- Continuing to build our sales organization
- Driving adoption through product innovation

## 3. Provider Employer-of-Choice

- Growing provider network with lower hiring costs
- Continued focus on quality, with improvement in productivity and access metrics
- Increased provider satisfaction and retention

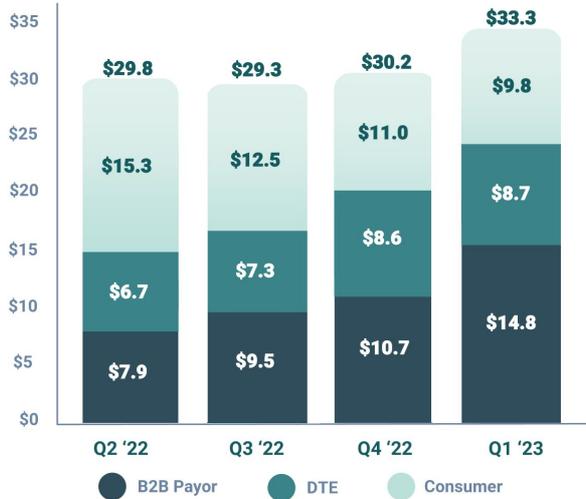
## 4. Operational Excellence

- Driving operating leverage through continued OpEx discipline
- Improving revenue cycle management
- Best-in-class compliance and controls

# 1Q 2023 Key Performance Metrics

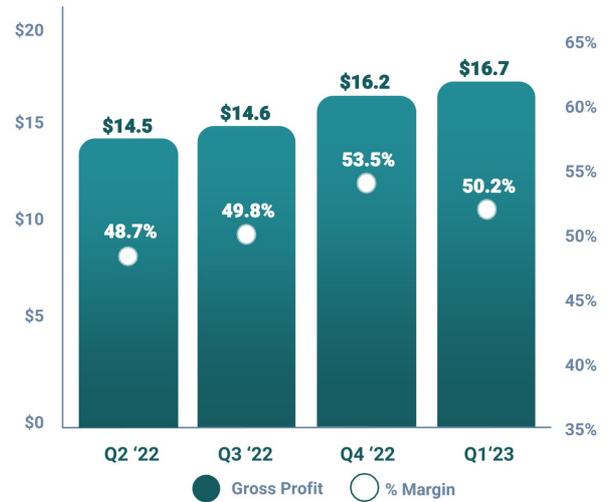
## Revenue

USD, millions



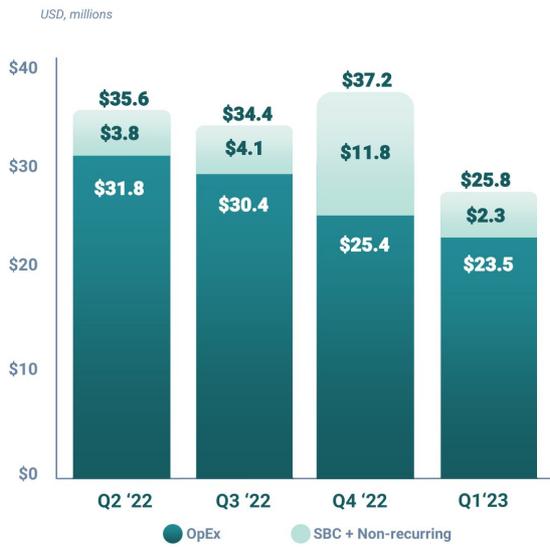
## Gross Profit and % Margin

USD, millions

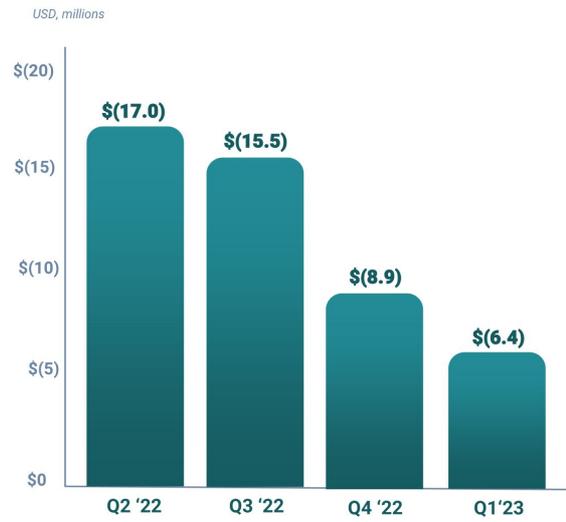


# 1Q 2023 Performance Metrics (cont'd)

### Operating Expenses<sup>1</sup>



### Adjusted EBITDA Loss<sup>2</sup>



(1) 3Q '22 OpEx includes \$0.9M non-recurring expenses; 4Q '22 OpEx includes a \$6.1M non-recurring charge related to Goodwill Impairment and \$5.5M accrual for estimated litigation expenses, partially offset by one-time savings related to marketing costs.  
 (2) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to the most directly comparable GAAP measure, see the appendix to this presentation.

# Raising FY 2023 and Break-Even Guidance<sup>1</sup>

USD, millions

		Previous	Updated
FY 2023	Revenue	\$125M to \$135M	\$130M to \$135M
	Adjusted EBITDA <sup>2</sup>	-\$28M to -\$32M	-\$21M to -\$24M
Break-Even	Adjusted EBITDA <sup>2</sup>	<b>Break-Even</b> By the End of H1 2024	<b>Break-Even</b> By the End of Q1 2024
	Cash Balance	<b>\$95M+</b> At the End of H1 2024	<b>\$95M+</b> At the End of Q1 2024

(1) Guidance is based on current market conditions and expectations and what we know today. The guidance does not include any future capital disbursements.  
 (2) Adjusted EBITDA is a non-GAAP financial measure. We do not provide a forward-looking reconciliation of our guidance for adjusted EBITDA as the amount and significance of items required to develop meaningful comparable GAAP financial measures cannot be estimated at this time without unreasonable efforts. These special items could be meaningful.

# Closing Remarks



Diversified revenue streams capitalizing on growing mental health awareness and market



Leading brand driving customer recognition and organic traffic across distribution channels



Improving outcomes and efficiencies from continued product and clinical innovation



Growing provider network and improving clinical platform while maintaining quality



Establishing operational excellence to support future growth with minimal investment



Path to profitability while maintaining strong cash position

# Appendix

## Non-GAAP Financial Measures

In addition to our financial results determined in accordance with GAAP, we believe adjusted EBITDA, a non-GAAP measure, is useful in evaluating our operating performance and is a key performance measure that our management uses to assess our operating performance. Because adjusted EBITDA facilitates internal comparisons of our historical operating performance on a more consistent basis, we use this measure for business planning purposes and in evaluating acquisition opportunities. We also use adjusted EBITDA to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that this non-GAAP financial measure, when taken together with the corresponding GAAP financial measures, provides meaningful supplemental information regarding our performance by excluding certain items that may not be indicative of our business, results of operations or outlook. We believe that the use of adjusted EBITDA is helpful to our investors as it is a metric used by management in assessing the health of our business and our operating performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Some of the limitations of adjusted EBITDA include (i) adjusted EBITDA does not necessarily reflect capital commitments to be paid in the future and (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and adjusted EBITDA does not reflect these requirements. In evaluating adjusted EBITDA, you should be aware that in the future we will incur expenses similar to the adjustments described herein. Our presentation of adjusted EBITDA should not be construed as an inference that our future results will be unaffected by these expenses or any unusual or non-recurring items. Our adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate adjusted EBITDA in the same manner as we calculate the measure, limiting its usefulness as a comparative measure. Adjusted EBITDA should not be considered as an alternative to loss before income taxes, net loss, loss per share, or any other performance measures derived in accordance with U.S. GAAP. When evaluating our performance, you should consider adjusted EBITDA alongside other financial performance measures, including our net loss and other GAAP results.

A reconciliation is provided below for adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review our financial statements prepared in accordance with GAAP and the reconciliation of our non-GAAP financial measure to its most directly comparable GAAP financial measure, and not to rely on any single financial measure to evaluate our business. We do not provide a forward-looking reconciliation Adjusted EBITDA guidance as the amount and significance of the reconciling items required to develop meaningful comparable GAAP financial measures cannot be estimated at this time without unreasonable efforts. These reconciling items could be meaningful.

# Reconciliation of Net Loss to Adjusted EBITDA

## Adjusted EBITDA

We calculate adjusted EBITDA as net loss adjusted to exclude (i) depreciation and amortization, (ii) interest and other expenses (income), net, (iii) tax benefit and expense, and (iv) stock-based compensation expense.

	Three Months Ended	
	March 31,	
	2023	2022
<i>(in thousands)</i>		
Net loss	\$ (8,758)	\$ (20,360)
Add:		
Depreciation and amortization	306	429
Financial income, net <sup>(1)</sup>	(424)	(869)
Taxes on income	143	21
Stock-based compensation	2,303	2,368
Adjusted EBITDA	<u>\$ (6,430)</u>	<u>\$ (18,411)</u>

1) For the three months ended March 31, 2023, financial income, net, primarily consisted of \$0.6 million of interest income from our money market accounts offset by \$0.2 million in losses resulting from the remeasurement of warrant liabilities. For the three months ended March 31, 2022, financial income net, primarily consisted of \$0.9 million in gains resulting from the remeasurement of warrant liabilities.