

# Behavioral Health Market Update

Q4 2025 UPDATE



LAWRENCE, EVANS & CO., LLC  
Investment Banking | Healthcare Finance | Consulting

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## QUARTER 4 2025 UPDATE: BEHAVIORAL HEALTHCARE MARKET ANALYSIS

### Executive Summary

*"Behavioral Health is splitting into two very different markets—largest systems and small 'mom & pop' providers. Private capital is still flowing, but selectively: outpatient mental health and autism platforms are pulling ahead, while safety-net providers fall further behind." — David Opalek, Director of Behavioral Health at Lawrence, Evans & Co., LLC*

### Q4 2025 Highlights:

- Deal volume hit multi-year highs for the full year—but slowed sharply in Q4 as buyers turned cautious.
- Private capital is still flowing—but selectively, with outpatient mental health and autism platforms pulling ahead while safety-net providers fall further behind.
- Facility closures accelerated nationwide, cutting inpatient and residential capacity as Medicaid and federal funding tightened.
- Policy volatility is now an operating risk—January's SAMHSA grant whiplash froze planning and investment for community providers.
- Telehealth survived the rollback (for behavioral health), quietly reinforcing its role as core infrastructure.
- Workforce shortages and burnout are worsening, even as demand keeps rising.

The period from October through mid-January represented a pivotal inflection point for the behavioral healthcare sector - characterized by striking contradictions between robust private market activity and intensifying structural pressure on safety-net providers. The quarter concluded calendar year 2025 with strong behavioral health M&A transaction volume representing a substantial year-over-year increase, yet the final quarter itself recorded considerably fewer deals signalling emerging market caution. Simultaneously, a wave of facility closures swept the sector during autumn months as funding constraints forced shutdowns across multiple states, eliminating significant staffing and treatment capacity. By mid-January, the behavioral health landscape confronted whipsaw federal policy: administration officials moved to terminate significant SAMHSA grants affecting addiction and mental health services, only to face partial reversal hours later as federal health authorities retreated from proposed funding reductions.

These decisions made the divide in behavioral health impossible to ignore. On one side, private investors continued investing into large therapy and autism providers, building bigger platforms and paying high prices on the belief that long-term demand will keep growing. On the other side, community providers that rely on Medicaid were left in serious uncertainty, as states prepared for years of federal funding cuts that will affect millions of people who depend on these services.

At the same time, Medicare rolled back telehealth rules in January—but made an exception for behavioral health. Mental health and addiction services can still be delivered from home, even as other medical specialties now face new location limits. This showed that policymakers understand how important telehealth is for mental health care.

The sector now faces a clear contradiction: demand for services has never been higher, investors are still eager to put money into the space, yet the providers who serve the most vulnerable people are becoming more financially fragile.

## Facility Closures Accelerate: October-December Wave Signals Provider Distress

### Multiple System Shutdowns Eliminate Substantial Capacity

The October through December period witnessed a significant wave of behavioral health facility closures spanning multiple states and service modalities. On October 9, one of the nation's largest behavioral health operators simultaneously closed multiple branded treatment entities across different states, eliminating substantial staffing. The company attributed closures to a "careful and comprehensive review of the current landscape" but industry observers cited mounting financial pressures from declining Medicaid enrolment post-unwinding, compressed reimbursement rates, and elevated labour costs that had not moderated despite post-pandemic workforce stabilization.

Additional October closures included major youth behavioral health operators shuttering multiple sites across different regions, hospital systems eliminating psychiatric emergency departments in major cities, and significant behavioral health providers announcing layoffs spanning October and November. These closures disproportionately affected inpatient psychiatric and residential addiction treatment capacity - service lines heavily dependent on Medicaid reimbursement and particularly vulnerable to state budget pressures.

Subsequent months brought further contraction. Addiction treatment facilities closed in different states through November and December, while residential mental health facilities eliminated operations in late 2025. Multiple inpatient psychiatric facilities ceased operations, eliminating limited residential treatment options in affected states. Collectively, the year witnessed closure of multiple behavioral health facilities nationwide, with industry projections suggesting additional shutdowns likely in subsequent years as federal Medicaid reductions accelerated.

### Funding Shortfalls Drive Systemic Capacity Reduction

The closure wave's underlying drivers extended beyond individual organizational challenges to systemic financing pressures. Many providers cited federal funding withdrawals, Medicaid enrolment declines, and state budget constraints as precipitating factors. The mid-January federal decision to terminate numerous SAMHSA grants—subsequently partially reversed - illustrated the policy volatility confronting community providers dependent on federal categorical funding.

The closures created immediate access crises in affected communities. With substantial portions of the U.S. population living in mental health professional shortage areas, elimination of existing capacity - particularly inpatient psychiatric and residential addiction treatment beds - forced patients toward emergency departments, incarceration, or homelessness. States lacking robust crisis response infrastructure faced particular strain as community providers shuttered facilities without replacement capacity.

Surviving providers confronted difficult strategic choices: exit high-Medicaid markets, shift service mix toward commercially insured populations, pursue M&A exits to better-capitalized platforms, or maintain operations at compressed margins while hoping for policy stabilization. The quarter's closure acceleration suggested that many providers—particularly standalone facilities lacking multi-state scale or parent company support - concluded that current reimbursement and volume trends rendered continued operations untenable.

## Medicare Telehealth Transition: Behavioral Health Exemption Preserves Access

### January Rollback Creates Service-Type Asymmetry

In late January, temporary pandemic-era Medicare telehealth flexibilities expired following Congressional failure to extend authorization, triggering substantial coverage restrictions for non-behavioral medical services. Beginning this date, Medicare beneficiaries seeking most primary care or specialty telehealth services lost ability to receive coverage for at-home visits; instead, Medicare imposed requirements that patients be physically present in approved medical facilities located in rural areas. The policy shift definitively ended years of COVID-era flexibility that had fundamentally reshaped beneficiary access patterns and provider workflow designs.

However, behavioral and mental health services - encompassing therapy, counselling, psychiatric evaluation, medication management, and substance use disorder treatment - remained excepted from geographic and facility-based restrictions, continuing to qualify for Medicare coverage when delivered to beneficiaries' homes regardless of location. This carve-out reflected congressional recognition that telehealth represented a critical access mechanism for individuals with behavioral health conditions, many of whom faced distinctive barriers to in-person engagement including stigma, transportation limitations, and rural service scarcity.

The exemption created operational asymmetries for integrated behavioral-primary care organizations. Providers delivering combined mental health and physical health services to dual-eligible and complex populations could maintain home-based mental health appointments while requiring patients to present at rural facilities for routine medical care - necessitating operational redesign, clear patient communication protocols regarding location-based requirements, and potentially bifurcated scheduling systems to manage distinct regulatory frameworks.

### Prescribing Flexibilities Extended; Permanent Authorization Remains Elusive

Parallel to the Medicare telehealth transition, federal health agencies extended telemedicine prescribing flexibilities for controlled substances through the end of the year, forestalling a potential crisis for medication-assisted treatment programs delivering buprenorphine and other scheduled medications for opioid use disorder. The extension - representing a continuation of temporary rules established in prior years - preserved critical infrastructure for addiction treatment that had become increasingly dependent on remote prescribing capabilities during and after the pandemic.

Nevertheless, policy uncertainty continued complicating provider planning. The absence of permanent legislative authorization for telemedicine flexibilities meant that behavioral health organizations delivering medication-assisted treatment remained vulnerable to abrupt policy reversals. The infrastructure supporting virtual care - claims processing protocols, beneficiary education materials, provider training programs, and technology platforms - operated under continuing uncertainty regarding long-term reimbursement landscapes, discouraging substantial capital investment despite demonstrated clinical efficacy and cost-effectiveness.

Medicare Advantage plans - private alternatives to traditional Medicare covering a substantial portion of beneficiaries - retained greater flexibility regarding telehealth coverage. Multiple major insurers signalled intent to maintain broader telehealth access beyond statutory minimums, though benefit variability by plan, region, and contract year necessitated careful beneficiary review during annual enrolment periods. This private-plan flexibility created additional coverage fragmentation: traditional Medicare beneficiaries faced restrictive telehealth access for non-behavioral services while Medicare Advantage enrollees potentially retained broader virtual care options depending on plan design.

## Medicaid Restructuring Advances: Multi-Year Reductions Begin Implementation

### Federal Legislation Authorizes Substantial Medicaid Reductions; Disenrollment Accelerates

The behavioral health sector confronted opening phases of decade-long Medicaid financing restructuring as legislation enacted in summer 2025 - authorizing substantial Medicaid funding reductions extending through the 2030s - began implementation. The legislation authorized significant federal reductions over ten years, with projections indicating that millions of individuals would lose Medicaid eligibility over the period. Notably, a substantial majority of cuts were scheduled to take effect in the later years of the period, creating dynamics where behavioral health organizations faced simultaneous challenges: near-term Medicaid disenrollment pressures, medium-term reimbursement rate reductions, and profound uncertainty regarding optimal hedging strategies across the decade.

Medicaid's structural importance to behavioral health made these cuts existentially consequential. Medicaid finances a significant portion of all mental health and substance use disorder spending nationally, positioning the program as the financial foundation for community mental health centers, residential treatment facilities, peer support services, and crisis response systems serving low-income, severely mentally ill, and substance-use-disordered populations. States completing Medicaid unwinding processes prepared for minimal enrolment growth as completion of renewal redeterminations offset competing pressures including children's continuous eligibility expansions and postpartum coverage extensions.

Financial pressure extended beyond simple enrolment declines. A meaningful portion of responding states reported increases in behavioral health spending even amid enrolment reductions, driven by higher acuity among retained beneficiaries post-unwinding and expanding utilization of intensive outpatient programs and certified community behavioral health clinic models. This divergence between enrolment contraction and utilization growth created margin squeeze on providers: fixed costs per beneficiary rose as denominator populations contracted while reimbursement rates remained compressed relative to alternative medical specialties and commercial insurance.

### January Federal Actions Create Policy Whipsaw

In mid-January, the Trump administration sent correspondence to grantees terminating federal grants supporting mental health and drug addiction services administered through SAMHSA. The termination notices targeted categorical grant programs spanning community mental health services, substance use disorder treatment, suicide prevention initiatives, and workforce development - collectively representing substantial portions of SAMHSA's annual grant portfolio.

The terminations sparked immediate sector alarm. Community health centers, crisis response providers, and state behavioral health authorities confronted prospect of mid-fiscal-year funding elimination forcing program shutdowns, staff layoffs, and service curtailments. Hours later, federal health authorities partially reversed course, announcing that proposed significant SAMHSA funding reductions would not proceed. However, the whipsaw created profound operational uncertainty: providers uncertain which grants remained active, states unable to finalize budgets, and community stakeholders questioning federal commitment to behavioral health infrastructure.

The mid-January events crystallized broader patterns characterizing federal behavioral health policy during this period: abrupt announcements lacking stakeholder consultation, rapid policy reversals following advocacy mobilization, and persistent uncertainty regarding which programs would survive budget reconciliation processes. For providers operating on thin margins and dependent on federal categorical funding, this volatility proved nearly as damaging as funding cuts themselves - preventing long-term planning, discouraging capital investment, and forcing defensive positioning that prioritized organizational survival over service expansion.

## Workforce Crisis Deepens: Shortage and Burnout Reach Unsustainable Levels

### Substantial Population Lives in Shortage Areas; Burnout Exceeds Half of Workforce

As of late 2025, a substantial and growing proportion of Americans lived in federally designated Mental Health Professional Shortage Areas - representing both growing demand and stagnant workforce supply. The shortage manifested across all provider categories: psychiatrists, psychologists, clinical social workers, licensed professional counsellors, marriage and family therapists, addiction counsellors, and peer specialists. Federal projections indicated significant workforce deficits emerging within the coming decade across multiple mental health professions.

Approximately half of mental health professionals reported burnout symptoms during this period, driven by emotional labour demands inherent to clinical practice, large caseloads exacerbated by shortage-driven staffing constraints, and perceived inability to fully address patient needs within conventional scope of practice and session duration. The burnout prevalence created vicious cycles: workforce attrition accelerated shortage pressures, remaining providers absorbed additional caseload, burnout intensified, and turnover rates climbed - with some behavioral health occupations experiencing notably elevated annual turnover rates.

Geographic disparities remained stark. Rural regions and economically disadvantaged urban neighbourhoods faced disproportionate shortages, with provider-to-population ratios in some areas reaching critically low levels - far below the national average. These disparities reflected multiple factors: lower reimbursement in rural Medicaid markets, limited practice infrastructure and professional community in isolated geographies, student debt burdens discouraging practice in lower-income areas despite loan forgiveness programs, and scope-of-practice restrictions preventing efficient use of mid-level practitioners.

### Workforce Development Initiatives Navigate Federal Funding Uncertainty

Despite federal funding constraints, targeted workforce solutions gained traction during the quarter. Several states expanded credentialing and career pathways for peer specialists and paraprofessional behavioral health workers, recognizing that non-doctoral workforce expansion could address immediate capacity gaps while building sustainable long-term infrastructure. State workforce planning exercises identified substantial need for additional behavioral health workers in coming years, recommending significant investment over multiple years prioritizing paid training, improved job quality, streamlined licensing, and career promotion.

Behavioral health organizations increasingly invested in retention programs designed to professionalize paraprofessional roles and reduce turnover. Major providers promoted significant numbers of employees through career ladder advancement providing structured growth pathways while implementing comprehensive recruitment strategies emphasizing mission alignment, competitive compensation, and professional development. Organizations demonstrating effective workforce management - characterized by clear advancement pathways, compensation growth, and cultural investments in employee wellbeing - continued outperforming peers on operational metrics and M&A valuations, signalling market recognition of workforce management's criticality to long-term business sustainability.

However, federal funding volatility threatened workforce development infrastructure. The mid-January SAMHSA grant situation potentially affected loan repayment programs, clinical training initiatives, and technical assistance supporting community providers' workforce recruitment. States developing workforce solutions confronted uncertainty regarding federal partnership sustainability, complicating multi-year planning essential for educational pipeline development requiring extended lead times.

## **Network Adequacy Implementation: January Deadline Reveals Data Accuracy Challenges**

### **State-Based Marketplaces Meet Behavioral Health Standards; Verification Gaps Remain**

State-based health insurance marketplaces faced early-year implementation deadlines for federal provider network adequacy standards incorporating time/distance specifications for primary care, specialty care, and behavioral health providers. The standards required behavioral health providers be available within specified timeframes for initial appointments and that health plans maintain accurate, current provider directories addressing persistent "ghost network" problems listing outdated information or providers no longer accepting patients.

Early implementation revealed significant infrastructure challenges. Data accuracy remained problematic across the provider directory ecosystem: a substantial minority of federal exchange plans failed network adequacy standards due to inaccurate provider directories and unverified network data. The gap between nominal network breadth and actual provider availability - created through data lag, inactive listings, and insufficiently updated affiliate information - undermined regulatory intent.

States accelerated monitoring and verification protocols to meet implementation deadlines, implementing data validation systems drawing from multiple sources including claims data, credentialing files, and electronic health record information. However, many states lacked technological infrastructure to move beyond periodic attestation cycles toward continuous monitoring, relying instead on episodic verification intervals creating persistent gaps between directory accuracy and operational reality.

### **CMS and State Regulators Address Medicare Advantage Behavioral Health Access**

An October report from federal oversight authorities documented that many Medicare Advantage and Medicaid managed care plans maintained limited behavioral health provider networks, with these networks further constrained by including inactive providers who did not provide any services to enrollees. Most inactive providers should not have been listed as network providers - many no longer worked at listed locations or indicated they would not see patients enrolled in specific plans.

The findings validated longstanding advocacy concerns regarding behavioral health access in managed care contexts. Federal recommendations called for improved monitoring of provider networks, additional steps to improve directory accuracy, state engagement to improve Medicaid managed care directory accuracy, and exploration of how coordinated directory approaches could reduce inaccuracies while increasing administrative efficiencies. Federal health officials indicated they had taken steps aligned with recommendations and planned additional measures, though specific enforcement timelines and penalties for non-compliance remained undefined.

State regulatory frameworks - such as those recently implemented in major states - established template increasingly adopted by other jurisdictions. Regulations required health plans provide timely initial behavioral health appointments with mandatory out-of-network provider authorization at in-network rates if timelines could not be met. Compliance monitoring throughout the period and into coming months would reveal whether aggressive regulatory frameworks successfully improved access or merely shifted costs to plans through increased out-of-network payments.

## 988 Suicide & Crisis Lifeline: Sustained Demand Amid Funding Uncertainty

### Monthly Contact Volume Sustained at Elevated Levels; Geographic Variation Persists

The 988 Suicide & Crisis Lifeline sustained robust utilization throughout the October-January period, with monthly contact volume consistently approaching elevated levels - substantially exceeding volumes recorded prior to service launch. Cumulative contacts since launch several years ago surpassed substantial totals, including contacts across telephone, text messaging, and chat modalities. The sustained growth reflected both expanded public awareness and potentially increasing mental health distress amid economic uncertainty, political polarization, and ongoing social disruption.

Geographic network maturation continued advancing. Substantial increases were recorded in the proportion of states answering incoming calls in-state compared to service launch. This metric signified substantial progress in crisis response infrastructure, though regional variation persisted: in-state answer rates varied considerably across states, indicating that provider shortages and state-level funding disparities continued affecting crisis service accessibility. Regional variation in contact patterns suggested that political factors, cultural attitudes toward mental health, and state investment levels influenced awareness and utilization.

### Funding Model Remains Unresolved; Specialized Service Discontinuation Reverberates

Despite growing utilization, the 988 infrastructure remained financially constrained throughout the quarter. The discontinuation in summer 2025 of specialized services for LGBTQ+ youth - which had served hundreds of thousands of contacts - continued generating advocacy opposition characterizing it as politically driven withdrawal from vulnerable populations. The broader question of sustainable 988 funding remained unresolved entering 2026.

While the lifeline represented a federally mandated crisis service, financing structure relied on patchwork of state funding, local crisis center resources, and voluntary carrier contributions. A minority of states passed legislation funding 988 through telecom fees (analogous to 911 funding), with early-adopting states raising varying amounts based on state population and economic factors. The absence of dedicated federal appropriations created persistent uncertainty regarding service continuity, technology investment, and workforce expansion necessary to address substantially elevated contact volumes.

The mid-January SAMHSA funding actions intensified concerns regarding 988's operational sustainability. SAMHSA administered federal 988 infrastructure grants, distributed substantial annual federal funds in behavioral health grants including crisis services funding, and provided technical assistance to state crisis systems. Disruption to SAMHSA's administrative capacity - whether through grant terminations, workforce reductions, or policy redirections - threatened 988's operational backbone even as utilization continued growing robustly.

## **M&A Activity: Strong Annual Performance Amid Quarterly Moderation**

### **Full-Year Results Achieve Post-Recession Peak; Q4 Shows Deceleration**

Calendar year concluded with substantial behavioral health M&A transaction volume representing the sector's strongest performance in several years, marking a significant year-over-year increase and surpassing activity recorded in prior years. This resurgence reflected sustained private equity and strategic buyer conviction that behavioral health fundamentals - structural demand growth, favorable reimbursement trends relative to other medical specialties, and fragmented provider markets offering consolidation opportunities - warranted aggressive capital deployment despite macroeconomic headwinds and policy volatility.

The composition of activity revealed important subsector rotation. Counselling and psychiatric care dominated transaction volume by substantial margin, nearly tripling transactions recorded in the prior year and underscoring intensified investor focus on outpatient mental health platforms delivering therapy and medication management. This concentration reflected both secular trends - rising demand for anxiety and depression treatment amid ongoing mental health crisis - and strategic positioning to navigate Medicaid managed care evolution favouring community-based service models over institutional settings.

Substance use disorder treatment providers ranked second in transaction frequency, while autism spectrum disorder and intellectual developmental disability care tied for third position. The autism sector commanded particular attention, with scaled ABA therapy platforms trading at premium valuation multiples - the sector's highest valuations - and a disproportionate percentage of autism deals private equity-sponsored compared to broader behavioral health. This premium reflected investor conviction in autism care's structural growth drivers: rising ASD prevalence, expanding state insurance mandates, and multi-disciplinary service expansion beyond applied behavior analysis into occupational therapy, speech pathology, and counselling.

However, the final quarter of the year marked a noticeable slowdown. The quarter produced substantially fewer announced deals - a meaningful decline from the prior year's final quarter - continuing a downward quarterly trend across the year. Within the final quarter, counselling and psychiatric care maintained prominence, followed by substance use disorder treatment and intellectual developmental disability care with fewer transactions. The moderation signalled classic mid-market private equity dynamics: extended diligence timelines, seller valuation expectations elevated relative to current capital costs, and buyer caution amid Medicaid policy uncertainty that would intensify dramatically in January.

## Selective Transactions Signal Continued Platform Consolidation

Notable transactions announced during the October-January window illustrated evolving consolidation patterns. On January 20, 2026, **Aquitaine Capital announced a major investment in Oklahoma-based autism provider KidsChoice**, adding to the firm's behavioral health portfolio and signalling continued private equity appetite for multi-disciplinary autism platforms spanning applied behavior analysis, occupational therapy, counselling, and speech services. The transaction underscored investor conviction that integrated autism care models could achieve superior growth trajectories and valuation premiums relative to single-service providers.

Concurrently, **ACES acquired Phoenix-based Ally Paediatric Therapy** in January, extending its autism therapy footprint in the Southwest market. Add-on activity remained robust as established platforms pursued geographic expansion and density building - strategies designed to enhance negotiating leverage with payers, achieve operational efficiencies through regional scale, and create defensible market positions resistant to new entrant competition.

The substance use disorder sector, by contrast, experienced pronounced transaction drought. Industry analysts characterized deal flow as depressed, with expectations that dealmaking would remain constrained into future periods amid Medicaid uncertainties. An anticipated major acquisition in the addiction recovery space - involving significant valuation - was terminated during this period for undisclosed reasons, exemplifying broader sector headwinds. SUD providers' heavy reliance on Medicaid funding made them disproportionately vulnerable to the multi-year federal reductions scheduled to accelerate in coming years, creating valuation uncertainty that discouraged buyer commitment despite operational quality.

## Venture Funding Contracts Sharply; Mental Health Startups Navigate Capital Scarcity

Venture capital activity in mental health technology contracted dramatically during the year. Full-year venture funding for U.S. mental health startups declined sharply compared to the prior year - representing dramatic pullback from peak historical levels - with deal volume declining substantially. This represented a stark reversal from recent prior years when digital mental health attracted robust investment and numerous growth-stage rounds closed at elevated valuations.

The funding contraction reflected multiple factors: venture capital's broader retreat from healthcare services toward artificial intelligence and biotechnology, disappointing commercial performance among telemental health platforms as pandemic-era utilization normalized, and heightened scrutiny of unit economics amid rising customer acquisition costs. Nevertheless, selective growth capital deployment continued, with several notable fundraising rounds announced involving eating disorder treatment, youth mental health, and other specialized conditions.

The venture landscape's bifurcation mirrored broader M&A trends: capital flowed toward differentiated clinical models addressing high-acuity conditions while generalized telemental health platforms faced valuation pressure and consolidation imperatives. As the sector entered 2026, investors increasingly prioritized measurable clinical outcomes, sustainable unit economics, and clear pathways to profitability over raw growth metrics - a maturation that would likely accelerate amid tightening capital availability.

## Sector Outlook: Bifurcation Accelerates Between Private Capital and Public Safety Net

Q4 2025 underscored a widening split in behavioral health. Private capital kept backing consolidation and platform growth, with strong year-end deal activity and high valuations for autism/ABA platforms, while Medicare's January telehealth rollback carved out behavioral health, preserving virtual access and affirming its central role in mental health and addiction care.

At the same time, the public safety net came under mounting strain. A wave of fall facility closures cut meaningful capacity, and January's rapid sequence of grant terminations and partial reversals highlighted policy volatility for community providers. With large portions of the population in provider shortage areas and burnout affecting most clinicians, the system's ability to absorb further shocks looked increasingly limited.

Near-term outcomes hinge on three dynamics: how far states can and will buffer federal Medicaid cuts through fiscal or policy choices; how aggressively commercial payers expand and enforce behavioral health networks under new adequacy rules; and whether private investors' confidence is sustained through continued deal flow and solid operating performance despite recent deal volume moderation.

The October–January window therefore left the sector at an unresolved crossroads: vigorous private-market activity and consolidation advancing on one side, and a fragile, under-resourced safety net on the other, with policy decisions in the coming quarters likely to determine whether the result is strengthened, more diversified systems or deepening inequities in access.

### Key transactions included:

| Acquirer/Investor       | Target Company            | Sector Focus  | Strategic Rationale  |   |
|-------------------------|---------------------------|---|--|---|
| AbbVie                  | Gilgamesh Pharmaceuticals | <br><b>GILGAMESH</b><br><br><b>waldo</b><br><br><b>happypillar</b> | Novel neurological disorder treatment                              | Strengthen CNS disorder treatment portfolio                           |
| Talkspace               | Waldo Health              | Social health & clinical referral platform  | Expand holistic mental health care with social connection platform |   |
| Manatee                 | HappyPillar               | AI-powered mental healthcare for families   | Integrate AI caregiver feedback platform                           |   |
| XR Health               | Innerworld                | Virtual reality peer support & skill-building   | Expand VR therapy offerings with immersive behavioral support      |   |
| Kooth                   | Kismet Health             | <br><br><b>kismet</b>   | Pediatric telehealth platform                                      | Improve child mental health accessibility and assessment capabilities |
| Deaconess Health System | Jennie Stuart Health      | <br><b>JennieStuart</b><br><i>Health</i>   | Outpatient behavioral & specialty health services                  | Expand regional service footprint and community reach                 |

## Venture Capital Momentum: Clinical Validation Drives Strategic Capital Deployment

Venture capital activity in behavioral health technology during Q4 2025 strengthened notably, marking the strongest healthcare venture quarter in three years. Funding centered on companies delivering validated clinical outcomes and demonstrating clear payer alignment within integrated care ecosystems. Q4 2025 reflected decisive investor discipline: capital concentrated on differentiated technology platforms with measurable clinical evidence and operational readiness to scale across care settings. Current investment patterns favor behavioral health solutions combining evidence-based protocols, secure payer partnerships, and seamless clinical workflow integration—signaling renewed confidence in quality-driven, selective deployment.

### Notable financing included:

|   |  |
|---|--|
|  <b>Tempero Bio</b> | <b>\$76.96 million Series B-1/B-2</b> funding to advance novel glutamate modulator therapies for alcohol and cocaine use disorders through Phase 2 and Phase 3 clinical trials.  |
|  <b>radial</b>     | <b>\$50 million Series A-1/A-2</b> funding to build national psychedelic-assisted mental health clinic network with integrated care coordination and continuous patient support. |
|  <b>answersnow</b> | <b>\$40 million Series B</b> funding to scale ABA telehealth platform for autism families, enabling accessible personalized counselling nationwide.                              |
|  <b>Ritten</b>     | <b>\$35 million Series B</b> funding to scale specialty EMR for addiction and mental health providers, enabling streamlined workflows and data-informed personalized care.       |
|  <b>parallel</b>   | <b>\$20 million Series B1</b> funding to expand virtual mental health assessment and therapy integration into educational environments with licensed clinician access.           |

## PUBLICLY TRADED BEHAVIOR HEALTHCARE COMPANIES

| Selected Publicly Traded Behavioral Healthcare Companies |               |                        |                        |              |                    |                   |            |       |             |                   |             |        |              |               |
|--|---------------|------------------------|------------------------|--------------|--------------------|-------------------|------------|-------|-------------|-------------------|-------------|--------|--------------|---------------|
| Company Name   | Ticker Symbol | Stock Price 12/31/2025 | % Change Prior Quarter | % Change TTM | Price 52 Week High | Price 52 Week Low | Market Cap | EV    | Diluted EPS | Price To Earnings | LTM Revenue | EBITDA | EV to EBITDA | EV to Revenue |
| Lifestance Health Group Inc                              | NAS:LFST      | 7.04                   | 28.00%                 | -4.48%       | 8.30               | 3.74              | 2,739      | 2,996 | (0.2)       | N/A               | 1,368       | 39.9   | 48.0x        | 2.2x          |
| Acadia Healthcare Company Inc                            | NAS: ACHC     | 14.19                  | -42.69%                | -64.21%      | 47.08              | 12.63             | 1,283      | 3,762 | 2.8         | 12.1              | 3,266       | 607.8  | 8.3x         | 1.2x          |
| Brightspring Health Services Inc                         | NAS:BTSG      | 37.45                  | 26.69%                 | 119.91%      | 38.42              | 15.26             | 6,754      | 9,316 | (0.1)       | 107.0             | 13,301      | 398.1  | 20.9x        | 0.8x          |
| Talkspace  | NAS:TALK      | 3.63                   | 31.52%                 | 17.48%       | 4.36               | 2.22              | 601        | 510   | 0.0         | 119.4             | 215         | (3.6)  | 236.8x       | 2.4x          |
|  |               | Average                |                        |              | 4.00%              | 17.07%            |            |       | 0.8         | 59.6              |             |        | 25.7x        | 1.9x          |

Source: © PitchBook Data, Inc. 2026

### Public Markets and Investor Sentiment

Behavioral health equities sustained momentum through Q3 2025, with most major publicly traded companies demonstrating resilient revenue growth and expanding profitability metrics, though some faced operational headwinds.



#### LifeStance Health Group (NASD: LFST)

Revenue reached \$363.8M (+16% YoY), powered by record clinician additions and 17% visit volume growth to 2.3M quarterly visits. Net income reached \$1.1M and adjusted EBITDA surged 31% YoY to \$40.2M with an 11.1% margin. Full-year guidance raised to \$1.41-1.43B revenue and \$146-152M adjusted EBITDA.



#### Acadia Healthcare (NASD: ACHC)

Revenue totaled \$851.6M (+4.4% YoY), with same-facility revenue up 3.7%. However, adjusted EBITDA declined 11% YoY to \$173M, reflecting softer Medicaid volumes and higher operational costs. Full-year guidance revised downward to \$3.28-3.30B revenue and \$650-660M adjusted EBITDA.



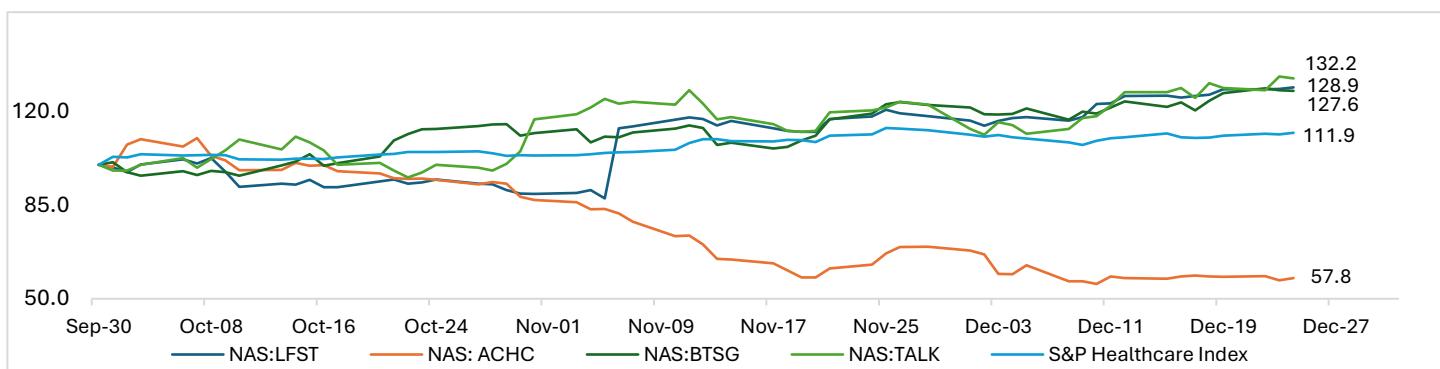
#### BrightSpring Health Services (NASD: BTSG)

Revenue hit \$3.33B (+28.2% YoY), led by Pharmacy Solutions growth of 31%. Net income rebounded to \$37.5M and adjusted EBITDA surged 37% to \$160M. Full-year guidance raised to \$12.4-12.7B revenue and \$605-615M adjusted EBITDA.



#### Talkspace (NASD: TALK)

Revenue reached \$59.4M (+25% YoY), driven by payer business growth of 42% YoY to \$45.5M. Payer sessions surged 37% YoY to 432K+ quarterly sessions. Net income reached \$3.25M and adjusted EBITDA more than doubled to \$5.0M. Full-year guidance narrowed to \$226-230M revenue and \$14-16M adjusted EBITDA.



Behavioral Companies Stock Performance

## SELECTED PRIVATE EQUITY ADD-ON TRANSACTIONS (PAST 12 MONTHS)

| Companies   | HQ   | Company Website  | Private Equity Owner  | Summary  |
|---|--|--|---|--|
| <b>Hands of Heartland</b><br>Add-on: Brighter Day   | Bellevue, NE<br>Tulsa, OK  | www.handsofheartland.com<br>www.brighterdayinc.com   | Evolve Capita   | Rehabilitation services for disabled individuals<br>Adult developmental disability care homes  |
| <b>Beacon Specialized Living Services</b><br>Add-on: Community Concepts<br>Add-on: Total Care Group   | Kalamazoo, MI<br>Dumfries, VA<br>Port Washington, WI   | www.beaconspecialized.org<br>www.comconinc.net<br>www.tcghomes.net   | Vistria Group   | Intellectual and developmental disabilities services<br>Residential and day support programs<br>Specialized care center  |
| <b>Fox Rehabilitation</b><br>Add-on: Agility  | Cherry Hill, NJ<br>Newton, MA  | www.foxrehab.org<br>www.agility.com  | Blue Wolf Capital Partners, Constitution Capital Partners, Leavitt Equity Partners                          | Proactive rehabilitation services<br>Physical, occupational therapy  |
| <b>NeuroFlow</b><br>Add-on: Owl   | Philadelphia, PA<br>Portland, OR   | www.neuroflow.com<br>www.owl.health  | Concord Health Partners (+ multiple investors)  | Mental health programs digital platform<br>Clinical care and efficiency platform   |
| <b>Premier Biotech</b><br>Add-on: Desert Tox  | Minneapolis, MN<br>Scottsdale, AZ  | www.premierbiotech.com<br>www.deserattox.com   | Align Capital Partners  | Drug testing device manufacturer<br>Substance abuse testing lab  |
| <b>Versaterm</b><br>Add-on: Mindbase (Seattle)  | Ottawa, Canada<br>Logan, UT  | www.versaterm.com<br>www.getmindbase.com   | Banneker Partners   | Public safety software developer<br>Mental health and wellness platform  |
| <b>LifePoint Health</b>   | Brentwood, TN  | www.lifepointhealth.net  | Apollo Global Management, ATP Private Equity Partners, Pantheon International                               | Comprehensive healthcare services expanding in behavioral healthcare with specialized hospitals  |
| <b>Eventus Wholehealth</b><br>Add-on: Premier Geriatric Solutions   | Concord, NC<br>Roanoke, VA   | eventuswholehealth.com<br>www.premiergeriatric.com   | Balance Point Capital, Enhanced Healthcare Partners, Leavitt Equity Partner                                 | Holistic healthcare services<br>Medical, behavioral health and psychiatric   |
| <b>Pax Health</b><br>Add-on: Behavioral Medicine Associates   | Red Bank, NJ<br>Great Neck, NY   | www.paxhealth.net<br>www.behavemed.com   | Hamilton Lane, HCAP Partners  | Independent psychiatric examinations<br>Behavioral health services   |
| Add-on: Reservoir Health  | Marlton, NJ  | www.myreservoirhealth.com  |   | Independent psychiatric examinations   |
| <b>Hightop Health</b><br>Add-on: Roots Behavioral Health<br>Add-on: Psych Atlanta   | Dallas, TX<br>Austin, TX<br>Marietta, GA   | www.hightophealth.com<br>www.rootsbehavioralhealth.com<br>www.psychatlanta.com   | JLL Partners, SV Health Investors   | Clinician-centric outpatient mental health platform<br>Behavioral healthcare clinic<br>Outpatient psychiatric practice   |
| <b>Beacon Behavioral Hospital</b><br>Add-on: Tampa Neuropsychiatry<br>Add-on: Arkansas Psychiatric Clinic<br>Add-on: Holiner Psychiatric Group<br>Add-on: Memorial Park Psychiatry<br>Add-on: Precise Clinical Neuroscience<br>Add-on: Right Track Medical Group<br>Add-on: The Grant Group<br>Add-on: Upswing Psychiatry | New Orleans, LA<br>Tampa, FL<br>Little rock, AR<br>Dallas, TX<br>Houston, TX<br>Flowood, MS<br>Oxford, MS<br>Bedford, TX<br>Amarillo, TX | www.beaconbh.com<br>www.tampaneuropsychiatry.com<br>www.apclr.com<br>www.holinergroup.com<br>www.memorialparkpsychiatry.com<br>www.precise-mind.com<br>www.righttrackmedical.com<br>www.grantgroupdfw.com<br>www.upswingpsychiatry.com | Latticework Capital Management, Resolute Capital Partners   | Mental health treatment services<br>Neuropsychiatric evaluation and treatment<br>Mental healthcare services<br>Psychiatric services for various age groups<br>Family psychiatry clinic for mental health disorders<br>Psychiatric diagnosis and mental health treatment<br>Outpatient mental healthcare services<br>Mental health clinic offering various services<br>Nasal spray manufacturer for depression and disorder |
| <b>Pyramid Healthcare (Duncansville)</b><br>Add-on: Mountaineer Recovery Center   | Duncansville, PA<br>Kearneysville, WV  | www.pyramid-healthcare.com<br>www.mountaineerrecovery.com  | Nautic Partners   | Behavioral health and substance abuse treatment<br>Substance use treatment services  |
| <b>Turnwell Mental Health Network</b><br>Add-on: Better Balance Psychiatry<br>Add-on: MWI Health  | Dallas, TX<br>Saint George, UT<br>Sioux Falls, SD  | www.turnwellmentalhealth.com<br>www.betterbalancepsychiatry.com<br>www.mwihealth.org   | Leon Capital Group, Patriot Capital, Petra Capital Partners   | Freestanding outpatient clinics with mental health<br>Psychiatric services<br>Mental health clinic with various services   |
| <b>Your Behavioral Health</b><br>Add-on: Insight Treatment  | Torrance, CA<br>Van Nuys, CA   | www.yourbehavioralhealth.com<br>www.insighttreatment.com   | Comvest Partners  | Behavioral health services<br>Intensive outpatient treatment for mental issues   |
| <b>Abound Health</b><br>Add-on: Gold Medal Home Health<br>Add-on: Professional Habilitation Services  | Charlotte, NC<br>Wayne, NJ<br>Mercer, PA   | www.aboundhealth.com<br>www.goldmedalhomehealth.com<br>NA  | Aspect Investors, Endurance Search Partners, Housatonic Partners, M2O, Peterson Partners, Relay Investments | Person-centered care services<br>Services for individuals with disabilities<br>Rehabilitative therapy services   |
| <b>ARC Psychiatry</b><br>Add-on: Mindsoother<br>Add-on: Exult Healthcare<br>Add-on: Advanced Psychiatric Group<br>Add-on: Manhattan Psychology Group  | Beachwood, OH<br>Livingston, NJ<br>McKinney, TX<br>Orlando, FL   | www.arcproviders.com<br>www.mindsoother.com<br>www.exulthealthcare.com<br>www.apghealth.com  | Five Points Capital, Spark Growth Ventures, Thurston Group (Chicago)  | Mental health treatment services<br>Comprehensive behavioral healthcare services<br>Behavioral health and addiction treatment services<br>Mental health services for comprehensive healthcare  |
| Add-on: GROW Counseling<br>Add-on: LynLake<br>Add-on: Dayspring Behavioral Health   | New York, NY<br>Atlanta, GA<br>Minneapolis, MN<br>Issaquah, WA   | www.manhattanpsychologygroup.co<br>www.growcounseling.com<br>www.therapy-mn.com<br>www.dayspringbehavioralhealth.com   |   | Psychological, behavioral, and educational services<br>Mental health - individuals, families, & organizations<br>Mental health and wellness services<br>Counseling and assessment services   |
| <b>Jackson House</b><br>Add-on: Cameron Care  | La Mesa, CA<br>Portland, OR  | www.jacksonhousecares.com<br>www.cameroncare.com   | Zamwell Capital   | Centers for mental illness or addictive disorders<br>Residential services for adults with mental illness   |
| <b>Digital Pharmacist</b><br>Add-on: SafeDose Pharmacy  | Austin, TX<br>Indianapolis, IN   | www.digitalpharmacist.com<br>www.safedose.com  | K1 Investment Management  | Digital medication encyclopedia developer<br>Pharmacy services for IDD   |
| <b>Bradford Health Services</b><br>Add-on: Woodland Recovery Center   | Birmingham, AL<br>Southaven, MS  | www.bradfordhealth.com<br>www.woodlandrecovery.com   | Lee Equity Partners   | Alcohol and drug addiction treatment services<br>Addiction treatment and mental health services  |
| <b>New Story Group</b><br>Add-on: The Learning Spectrum<br>Add-on: Thrive Alliance Group<br>Add-on: Center for Autism & Related Dis.  | Baltimore, MD<br>Columbus, OH<br>Parsippany, NJ<br>VA  | www.newstory.com<br>www.thelearningspectrum.com<br>www.thrivealliancecgroup.com<br>NA  | Audax Private Equity  | Services for students with behavioral challenges<br>Behavioral and educational services<br>Mental wellness support services<br>Special education schools and ABA centers portfolio   |
| <b>BlueSprig Pediatrics</b><br>Add-on: Trumpet Behavioral Health  | Houston, TX<br>Lakewood, CO  | www.bluesprigautism.com<br>www.tbh.com   | Kohlberg Kravis Roberts   | Applied behavior analysis therapy<br>Behavior health services - autism spectrum disorders  |
| <b>Promises Behavioral Health</b><br>Add-on: NorthStar Clinical Services  | Brentwood, TN<br>Charlotte, NC   | www.promises.com<br>www.northstarclinicalservices.com  | AHP, Cane Investment Partners   | Addiction and mental health treatment centers<br>Treatment center for substance use disorder   |
| <b>FullBloom</b><br>Add-on: EmpowerU  | Philadelphia, PA<br>Excelsior, MN  | www.fullbloom.org<br>www.empoweru.education  | American Securities   | Educational services in academic intervention<br>E-learning platform for mental health   |
| <b>ABA Connect</b><br>Add-on: Bright Behavior   | Austin, TX<br>Colorado Springs, CO   | www.abacconnect.com<br>www.brightbehaviorinc.com   | MBF Healthcare Partners   | Applied behavior analysis services<br>Applied behavior analysis services   |
| <b>Transactions by non-providers</b>  |  |  |   |  |
| <b>CentralReach</b><br>Add-on: SILAS  | Fort Lauderdale, FL<br>Monmouth Beach, NJ  | www.centralreach.com<br>www.silassolutions.com   | Arc Capital Development, Insight Partners   | Electronic health records and clinical software provider<br>Animation platform for children on autism spectrum   |
| <b>Acentra Health</b><br>Add-on: Espyr  | McLean, VA<br>Marietta, GA   | www.acentra.com<br>www.espyr.com   | The Carlyle Group   | Health information technology enterprise services<br>Counseling and mental health support  |
| <b>Netsmart Technologies</b><br>Add-on: Netalytics  | Overland Park, KS<br>Greer, SC   | www.ntst.com<br>www.netalytics.com   | Bay Capital Investment Partners, GI Partners, TA Associates Management                                      | Healthcare information technologies<br>Medical records for behavioral healthcare industry  |

## SELECTED TRANSACTIONS

| Deal Date    | Deal Type            | Target  | Investor/Acquirer  | Target Description  | Deal Size MM |
|--------------|----------------------|---|--|---|--------------|
| Jan 21, 2026 | Debtor-In-Possession | <b>Genesis HealthCare</b>   | New Generation Health  | Post-acute care company delivering skilled nursing, rehabilitation, and long-term care aging patients                         | \$1,015.00   |
| Jan 17, 2026 | Merger/Acquisition   | <b>Welwynn Outpatient Center</b>                                  | Xolani   | Operator of an outpatient addiction treatment center based in Raleigh, North Carolina   | NA           |
| Jan 15, 2026 | Buyout/LBO           | <b>Ally Pediatric Therapy</b>                                     | ACES ABA and General Atlantic  | Provider of applied behaviour analysis and speech-language therapy intended to treat autism spectrum disorder                 | NA           |
| Jan 01, 2026 | PE Growth/Expansion  | <b>CureCare</b>   | Lunchline Partners   | Provider of infusion nursing services intended based in Canton, Connecticut   | NA           |
| Jan 01, 2026 | Buyout/LBO           | <b>Sunbridge Home Health Care</b>                                 | 3 Rivers Capital   | Provider of home health care and nursing services intended to deliver attentive in home personal care and medical support     | NA           |
| Dec 18, 2025 | Buyout/LBO           | <b>ICANotes</b>   | Sheridan Capital Partners  | Developer of software intended to create individualized mental health records   | NA           |
| Dec 15, 2025 | Buyout/LBO           | <b>Autism Education &amp; Therapy Center</b>                      | Behavioral Framework and Renovus Capital Partners  | Operator of ABA therapy and autism education and therapy clinics intended for children with Autism                            | NA           |
| Dec 15, 2025 | Merger/Acquisition   | <b>Peninsula Health Center</b>                                    | Prosperous Health  | Provider of addiction treatment services intended to serve individuals with substance use disorders                           | NA           |
| Dec 10, 2025 | Merger/Acquisition   | <b>iFocus Health</b>  | HarmonEyes   | Developer of a digital health platform designed to measure the effectiveness of ADHD Treatments                               | NA           |
| Dec 09, 2025 | Merger/Acquisition   | <b>Joon Care</b>  | Handspring   | Operator of a teletherapy platform intended to offer medical consultation through phone for teens and young adults            | NA           |
| Dec 09, 2025 | PE Growth/Expansion  | <b>Puzzle Healthcare</b>  | HCAP Partners  | Provider of post-acute care services intended to reduce hospitalizations, improve readmission rates and minimize cost of care | NA           |
| Dec 08, 2025 | PE Growth/Expansion  | <b>JoyBridge Kids</b>   | Undisclosed Investors  | Operator of therapy clinics intended for children with autism   | \$2.50       |
| Dec 04, 2025 | Buyout/LBO           | <b>Dayspring Hospice</b>  | North Sky Capital, Revelation Partners, Sweetwater Private Equity, Webster Equity Partners   | Provider of hospice services intended for patients and their family care purposes   | NA           |
| Dec 04, 2025 | Buyout/LBO           | <b>Traditions Health (Hospice and Palliative Care Operations)</b> | Revelstoke Capital Partners and The Care Team  | Provider of hospice and palliative care operations intended to serve across the United States.                                | NA           |
| Dec 03, 2025 | Buyout/LBO           | <b>OptiMantra</b>   | Applied Equity Partners, Endurance Search Partners, Red Forest Capital, Search Fund Partners | Developer of a practice management and electronic health records software intended for integrative and wellness practitioners | NA           |

## SELECTED TRANSACTIONS CONT.

| Deal Date    | Deal Type           | Target   | Investor/Acquirer  | Target Description   | Deal Size MM |
|--------------|---------------------|--|--|--|--------------|
| Dec 02, 2025 | Merger/Acquisition  | <b>Innerworld</b>                              | XRHealth   | Developer of a virtual reality mental health platform designed for anonymous peer support and skill-building                       | NA           |
| Dec 02, 2025 | Merger/Acquisition  | <b>Summit Behavioral Health</b>                | BriteLife Recovery   | Operator of an outpatient behavioral health center designed to deliver addiction treatment and mental health care                  | NA           |
| Dec 01, 2025 | Merger/Acquisition  | <b>David Strobel, M.D. Dermatology</b>         | Dermatology Partners (Clinics/Outpatient Services )                  | Provider of psychiatric and mental health services intended to support individuals and families across Maryland                    | NA           |
| Dec 01, 2025 | Buyout/LBO          | <b>Evolution Health (Health Care Services)</b> | Compassus and TowerBrook Capital Partners                            | Provider of home health care services intended to offer quality and compassionate care   | NA           |
| Dec 01, 2025 | PE Growth/Expansion | <b>Generations Behavioral Health</b>           | Capital Alignment Partners   | Provider of mental health and substance abuse treatment services based in Youngstown, Ohio   | NA           |
| Dec 01, 2025 | Merger/Acquisition  | <b>Santa Rosa Care Center</b>                  | The Ensign Group (NAS: ENSG)   | Operator of a skilled nursing and behavioral care center designed to provide long-term care for people with cognitive needs        | NA           |
| Nov 19, 2025 | Merger/Acquisition  | <b>ERC: Counselors &amp; Consultants</b>       | AllOne Health Resources  | Provider of employee assistance and mental health counseling services intended to support organizations and their workforce        | NA           |
| Nov 19, 2025 | Merger/Acquisition  | <b>Independence Health System</b>              | WVU Medicine   | Provider of healthcare services and digital health services based in Greensburg, Pennsylvania                                      | NA           |
| Nov 19, 2025 | PE Growth/Expansion | <b>Renovo Medical Group</b>                    | Alaris Equity Partners (TSE: AD.UN)                                  | Provider of healthcare management services based in Brooklyn, New York   | \$30.00      |
| Nov 18, 2025 | Buyout/LBO          | <b>Clarity Counseling Center</b>               | Five Points Capital, Spark Growth Ventures, Thurston Group (Chicago) | Provider of mental health counseling and therapy services intended to serve couples, adults, college students and more             | NA           |
| Nov 18, 2025 | Buyout/LBO          | <b>LinkUp Teletherapy</b>                      | Avesi Partners and Point Quest Group                                 | Provider of teletherapy services intended to support Pre-K to 12+ students across the United States                                | NA           |
| Nov 14, 2025 | Merger/Acquisition  | <b>Kismet Health</b>                           | Kooth (LON: KOO)   | Operator of a telehealth platform intended to improve accessibility for mental illness care to working families and their children | NA           |
| Nov 10, 2025 | Merger/Acquisition  | <b>UCM Digital Health</b>                      | Fabric (Enterprise Systems)  | Developer of healthcare management software designed to provide patients with immediate access to care on their terms              | NA           |
| Nov 06, 2025 | Buyout/LBO          | <b>Infinity Hospice Care</b>                   | LifeCare Home Health Family and Zenyth Partners                      | Provider of in-home and inpatient hospice and palliative care services designed for patients facing life-limiting illnesses        | NA           |
| Nov 04, 2025 | Buyout/LBO          | <b>Tuka Pediatrics</b>                         | M33 Growth and Pediatrica  | Operator of pediatric healthcare services designed for comprehensive child and adolescent wellness                                 | NA           |

## SELECTED TRANSACTIONS CONT.

| Deal Date    | Deal Type           | Target                                      | Investor/Acquirer  | Target Description   | Deal Size MM |
|--------------|---------------------|---|--|--|--------------|
| Nov 03, 2025 | Merger/Acquisition  | <b>Centerstone</b>                          | Brightii   | Provider of healthcare services intended to offer a full range of mental health and substance use disorder services                | NA           |
| Nov 03, 2025 | Merger/Acquisition  | <b>Stonehenge Of Orem</b>                   | The Ensign Group (NAS: ENSG)   | Provider of nursing and rehabilitation facilities for post-hospitalization care and recovery needs                                 | NA           |
| Oct 30, 2025 | PE Growth/Expansion | <b>The Blanchard Institute</b>              | RC Capital   | Provider of behavioral health services intended to serve individuals and families affected by substance use                        | NA           |
| Oct 27, 2025 | Merger/Acquisition  | <b>BestMind Behavioral Health</b>           | Axis Integrated Mental Health  | Provider of behavioral and mental health treatment services focused on therapy for depression                                      | NA           |
| Oct 27, 2025 | Merger/Acquisition  | <b>BRAINS (Clinics/Outpatient Services)</b> | Pine Rest Christian Mental Health Services   | Provider of neuropsychology services for children, adolescents, and adults to assess and diagnose mental health                    | NA           |
| Oct 27, 2025 | PE Growth/Expansion | <b>Lightning Step</b>                       | Bessemer Venture Partners, Blueprint Equity, Gallant Capital and Level Equity  | Developer of electronic medical record and practice management software designed for addiction and mental health treatment centers | NA           |
| Oct 27, 2025 | Buyout/LBO          | <b>Sunwave</b>                              | Bessemer Venture Partners, Blueprint Equity, Gallant Capital, Level Equity, Lightning Step and Trinity Capital (NAS: TRIN) | Developer of a behavioral health platform designed to serve substance abuse treatment centers                                      | NA           |
| Oct 24, 2025 | Merger/Acquisition  | <b>Chesapeake Health Partners</b>           | Hospice Of The Chesapeake  | Provider of community-based health services intended to improve health outcomes for vulnerable populations                         | NA           |
| Oct 23, 2025 | PE Growth/Expansion | <b>Janus Rx</b>                             | FFL Partners   | Operator of a long-term care pharmacy intended to serve mental and behavioral health communities                                   | NA           |
| Oct 21, 2025 | Merger/Acquisition  | <b>PreferCare</b>                           | Oasis Health Partners  | Operator of a home and virtual care management platform company intended to serve the healthcare industry                          | NA           |
| Oct 20, 2025 | Buyout/LBO          | <b>Behavioral Health Group</b>              | Vistria Group  | Operator of an outpatient opioid addiction treatment services platform intended to serve patients across Dallas                    | NA           |
| Oct 17, 2025 | Merger/Acquisition  | <b>BeMe Health</b>                          | Hazel Health   | Developer of a mental health application designed for teens to improve emotional well-being  | NA           |
| Oct 17, 2025 | Merger/Acquisition  | <b>Gilgamesh Pharmaceuticals</b>            | AbbVie (NYS: ABBV)   | Developer of a mental health science-focused biotechnology platform designed to develop and treat neurological disorders           | \$1,201.00   |
| Oct 17, 2025 | Merger/Acquisition  | <b>Happypillar</b>                          | Manatee  | Developer of mental healthcare application intended to provide support to families across the United States                        | NA           |
| Oct 16, 2025 | Merger/Acquisition  | <b>Inlet Pediatrics</b>                     | Sweetgrass Pediatrics  | Provider of pediatric healthcare services intended to support families in Murrells Inlet, South Carolina                           | NA           |

## SELECTED TRANSACTIONS CONT.

| Deal Date    | Deal Type           | Target                                     | Investor/Acquirer   | Target Description   | Deal Size MM |
|--------------|---------------------|--|---|--|--------------|
| Oct 16, 2025 | Merger/Acquisition  | <b>Little Otter</b>                        | Hazel Health  | Provider of online counseling and mental therapy services intended to serve families and children                                  | NA           |
| Oct 13, 2025 | Buyout/LBO          | <b>Triad Behavioral Health</b>             | Baum Capital Partners Management, Level Education Group                           | Provider of behavioral and mental health education and training services intended to serve academic institutions and professionals | NA           |
| Oct 09, 2025 | Merger/Acquisition  | <b>Modern Recovery Network</b>             | BrentCare Behavioral Health   | Provider of comprehensive mental health treatment services intended for both adults and adolescents                                | NA           |
| Oct 08, 2025 | Buyout/LBO          | <b>Eagles Wing</b>                         | AB Private Credit Investors and Webster Equity Partners                           | Provider of residential and support services serving adults and children with intellectual disabilities                            | NA           |
| Oct 06, 2025 | Merger/Acquisition  | <b>Atrio Home Health Care</b>              | CustomCARE  | Provider of home health care services intended to serve individuals with disabilities, chronic conditions and aging related needs  | NA           |
| Oct 06, 2025 | Buyout/LBO          | <b>IMA Medical Group</b>                   | Clayton, Dubilier & Rice, Millennium Physician Group, Tennenbaum Capital Partners | Provider of primary care physician services to adults throughout Central and West Florida  | NA           |
| Oct 06, 2025 | Merger/Acquisition  | <b>Wisdo Health</b>                        | Talkspace (NAS: TALK)   | Developer of a social health and clinical referral platform designed to address the negative impact of social isolation            | NA           |
| Oct 03, 2025 | Merger/Acquisition  | <b>Grace Hospice &amp; Palliative Care</b> | Uplift Hospice  | Provider of hospice services intended to optimize the quality of life  | NA           |
| Oct 02, 2025 | Merger/Acquisition  | <b>Pro-Mapp Health</b>                     | NEC Software Solutions  | Developer of an outcome management software designed to manage orthopedic care pathways  | NA           |
| Oct 01, 2025 | Merger/Acquisition  | <b>Autumn Grace</b>                        | Jaybird Senior Living   | Provider of assisted living and memory care services intended to serve older adults in Minnesota                                   | NA           |
| Oct 01, 2025 | Merger/Acquisition  | <b>Jennie Stuart Health</b>                | Deaconess Health System   | Provider of outpatient services intended for Christian, Trigg and Todd counties  | \$95.00      |
| Oct 01, 2025 | PE Growth/Expansion | <b>Rosebud</b>                             | Avenir Growth Capital   | Developer of an AI-powered journaling platform designed for holistic personal growth   | NA           |
| Oct 01, 2025 | PE Growth/Expansion | <b>Sensible Care</b>                       | Montage Capital   | Provider of end-to-end online behavioral health services based in Santa Ana, California  | NA           |
| Oct 01, 2025 | PE Growth/Expansion | <b>St. Joseph Recovery Center</b>          | Event Capital Strategies  | Provider of addiction recovery and mental health treatment services intended for individuals to take charge of their recovery      | NA           |

## VENTURE AND OTHER INVESTMENTS

| Deal Date    | Deal Type          | Target   | Investor/Acquirer                                      | Target Description   | Deal Size MM |
|--------------|--------------------|--|--|--|--------------|
| Jan 21, 2026 | Later Stage VC     | <b>AnswersNow</b>                              | HealthQuest Capital and Left Lane Capital              | Telehealth platform designed to make applied behavior analysis therapy for autism accessible to families                     | \$40.00      |
| Jan 20, 2026 | Angel (individual) | <b>PlurawI</b>                                 | Undisclosed investors                                  | Operator of a mental health and self-discovery application intended to analyze their thoughts and track personal growth      | NA           |
| Jan 16, 2026 | Later Stage VC     | <b>Integrative Life Center</b>                 | BIP Ventures   | Provider of treatment programs intended to heal patients from their past traumas or behavior                                 | \$2.05       |
| Jan 07, 2026 | Seed Round         | <b>Oasys (Outcome Management (Healthcare))</b> | Pathlight Ventures, Twine Ventures and Better Ventures | Developer of an AI-native operating system for modern mental health, designed to help clinicians deliver more efficient care | \$4.00       |
| Jan 01, 2026 | Seed Round         | <b>InHealth Medical Services</b>               | Undisclosed investors                                  | Operator of a health coaching and behavior change platform intended for employers and healthcare organizations               | \$4.00       |
| Jan 01, 2026 | Later Stage VC     | <b>NESTRE Health &amp; Performance</b>         | Pier 70 Ventures                                       | Operator of a mental and cognitive strength training platform intended to provide cognitive assessments to patients          | NA           |
| Dec 29, 2025 | Early Stage VC     | <b>Vanna Health</b>                            | Undisclosed investors                                  | Provider of online healthcare services intended to improve overall health for people with serious mental illness             | \$6.00       |
| Dec 18, 2025 | Later Stage VC     | <b>Cosán</b>                                   | GI Alliance, Ziegler and Equitage Ventures             | Developer of a preventative care management platform to enhance health for patients with chronic conditions                  | \$15.00      |
| Dec 17, 2025 | Seed Round         | <b>Rallee</b>                                  | Undisclosed investors                                  | Developer of a youth fitness platform intended to gamify movement and mental health  | \$12.22      |
| Dec 16, 2025 | Seed Round         | <b>HereNOW Help</b>                            | Undisclosed investors                                  | Developer of a comprehensive mental health platform designed to facilitate personalized treatment and support                | \$2.35       |
| Dec 15, 2025 | Later Stage VC     | <b>NeuroSigma</b>                              | Checkmate Capital                                      | Developer of a non-invasive neurostimulation medical device designed for the treatment of pediatric ADHD                     | NA           |
| Dec 11, 2025 | Later Stage VC     | <b>Ritten</b>                                  | Five Elms Capital Management and Bienville Capital     | Developer of an electronic medical records platform designed to help addiction treatment providers improve care quality      | \$35.00      |
| Dec 10, 2025 | Later Stage VC     | <b>Therify</b>                                 | Undisclosed investors                                  | Developer of mental healthcare software designed for the well-being of the workforce   | NA           |
| Dec 09, 2025 | Later Stage VC     | <b>Lin Health</b>                              | Proofpoint, Viola Ventures                             | Developer of a digital, integrated behavioral health therapy platform designed to offer diagnosis and treatment              | \$11.00      |
| Dec 09, 2025 | Early Stage VC     | <b>Nudj Health</b>                             | Undisclosed investors                                  | Operator of a healthcare platform intended to strengthen care and improve patient outcomes                                   | NA           |

## VENTURE AND OTHER INVESTMENTS – CONT.

| Deal Date    | Deal Type             | Target   | Investor/Acquirer                            | Target Description  | Deal Size MM |
|--------------|-----------------------|--|--|---|--------------|
| Dec 09, 2025 | Early Stage VC        | <b>Radial Health (Clinics/Outpatient Services)</b> | General Catalyst and JSL Health Capital      | Operator of a mental healthcare center intended to be oriented around delivering psychedelic treatments                   | \$50.00      |
| Dec 09, 2025 | Seed Round            | <b>Serenity For Life</b>                           | Undisclosed investors                        | Operator of a women's rehabilitation and recovery center intended to provide holistic, personalized addiction treatment   | \$1.25       |
| Dec 03, 2025 | Accelerator/Incubator | <b>PsyFlo</b>                                      | Undisclosed Investors                        | Developer of a mental-health workflow platform designed to help identify needs earlier and coordinate support effectively | NA           |
| Dec 02, 2025 | Early Stage VC        | <b>Mental (Educational and Training Services)</b>  | Undisclosed investors                        | Developer of a mobile application designed to improve men's mental health   | \$10.13      |
| Dec 02, 2025 | Later Stage VC        | <b>Reema Health</b>                                | Optum Ventures and LRVHealth,                | Healthcare platform designed to connect members to care and resources through tech-enabled community guides               | \$18.89      |
| Dec 01, 2025 | Early Stage VC        | <b>Circular Genomics</b>                           | Mountain Group Partners and Tramway Ventures | Developer of RNA-based diagnostic assay designed for the treatment of depressive disorders                                | \$15.00      |
| Dec 01, 2025 | Later Stage VC        | <b>Soar Autism Center</b>                          | Undisclosed investors                        | Operator of a chain of autism care clinics intended to provide integrated therapy plus diagnostic services for young kids | \$17.03      |
| Dec 01, 2025 | Seed Round            | <b>WithYou Therapeutics</b>                        | Boomerang Ventures                           | Digital mental health platform intended to support emotional recovery and resilience for cancer survivors                 | NA           |
| Nov 28, 2025 | Early Stage VC        | <b>Sunflower (Application Software)</b>            | Flybridge, Lobster Capital                   | Developer of an addiction recovery platform designed to help people rewire their brains for sobriety                      | \$6.00       |
| Nov 26, 2025 | Later Stage VC        | <b>Holmusk (He serves)</b>                         | Undisclosed Investors                        | Developer of an evidence platform designed to advance behavioral health analytics and improve clinical understanding      | NA           |
| Nov 25, 2025 | Early Stage VC        | <b>Legion Health</b>                               | Next Coast Ventures and ZD Ventures          | Operator of an AI-driven psychiatric care platform designed to transform patient care through technology                  | NA           |
| Nov 19, 2025 | Later Stage VC        | <b>Parallel</b>                                    | Valspring Capital                            | Developer of digital mental health assessment platform designed for educational and therapeutic purposes                  | \$20.00      |
| Nov 14, 2025 | Later Stage VC        | <b>MIYO Health</b>                                 | Undisclosed investors                        | Operator of an online educational platform intended to solve challenges in mental health and special education delivery   | \$3.24       |
| Nov 13, 2025 | Later Stage VC        | <b>LOOSID</b>                                      | Undisclosed investors                        | Developer of a social networking platform designed to celebrate the sober lifestyle while at the same time providing.     | \$1.35       |
| Nov 12, 2025 | Angel (individual)    | <b>Engelwood Cliffs Surgery Center</b>             | Undisclosed investors                        | Operator of an ambulatory care facility intended to provide interventional pain management services                       | NA           |

## VENTURE AND OTHER INVESTMENTS – CONT.

| Deal Date    | Deal Type             | Target                    | Investor/Acquirer                                   | Target Description  | Deal Size MM |
|--------------|-----------------------|---------------------------|---|---|--------------|
| Nov 06, 2025 | Early Stage VC        | <b>Amae Health</b>        | Altos Ventures and Cedars Sinai Health Ventures     | Developer of a specialized integrated care platform designed for people with serious mental illness                       | \$25.00      |
| Nov 06, 2025 | Later Stage VC        | <b>MyLaurel</b>           | SteelSky Ventures and Pinta Capital Partners        | Provider of on-demand medical care services intended to cater to the needs of frail and complex patients                  | \$12.00      |
| Nov 05, 2025 | Later Stage VC        | <b>Tempero Bio</b>        | Khosla Ventures                                     | Developer of transformative therapies designed for treating and preventing substance use disorders                        | \$76.96      |
| Nov 04, 2025 | Seed Round            | <b>HoloMD</b>             | Undisclosed investors                               | Developer of a remote therapeutic-monitoring and clinical-decision-support system designed to assist psychiatric care     | \$1.60       |
| Nov 04, 2025 | Early Stage VC        | <b>Nest Health</b>        | Blue Venture Fund, 8VC and Socium Ventures          | Operator of a family healthcare platform intended to bring healthcare services to the home by offering convenient and.    | \$22.50      |
| Nov 03, 2025 | Accelerator/Incubator | <b>Mind Numbers</b>       | Undisclosed Investors                               | Developer of an application designed to provide automated digital monitoring for individuals living with bipolar disorder | NA           |
| Nov 01, 2025 | Early Stage VC        | <b>VR Eval</b>            | Undisclosed investors                               | Developer of a digital care management and wellness support platform for mental health and trauma recovery purposes       | NA           |
| Oct 31, 2025 | Early Stage VC        | <b>FamilyWell</b>         | New Markets Venture Partners and GreyMatter Capital | Digital health company intended to solve the perinatal mental health crisis and close the health equity gap               | \$8.00       |
| Oct 29, 2025 | Seed Round            | <b>Allswell</b>           | Amboy Street Ventures and Seae Ventures             | Provider of virtual mental health therapy services intended for the queer community                                       | \$1.30       |
| Oct 29, 2025 | Grant                 | <b>Neurano Bioscience</b> | Undisclosed investors                               | Provider of nanotherapeutic treatment intended to treat neurological disorders  | NA           |
| Oct 29, 2025 | Equity Crowdfunding   | <b>OCDfeat</b>            | Undisclosed investors                               | Developer of a digital tracking system designed for managing and monitoring obsessive compulsive disorder                 | NA           |
| Oct 29, 2025 | Accelerator/Incubator | <b>Sentari AI</b>         | Undisclosed investors                               | Operator of an AI-powered mental wellness companion intended to understand and manage emotions                            | NA           |
| Oct 27, 2025 | Later Stage VC        | <b>Heading</b>            | Gron Ventures and JAM Fund                          | Developer of a mental health platform intended to improve access to convenient and accessible mental health care          | \$4.50       |
| Oct 22, 2025 | Early Stage VC        | <b>Ampa Health</b>        | Nexus NeuroTech Ventures and Satori Capital         | Operator of a neurotechnology firm intended for mental and neurological health treatments                                 | \$8.50       |
| Oct 16, 2025 | Seed Round            | <b>TripleMoon</b>         | Activate Venture Partners and LiveOak Ventures      | Developer of a personalized postpartum support platform intended to empower parents through various programs              | \$3.50       |

## VENTURE AND OTHER INVESTMENTS – CONT.

| Deal Date    | Deal Type             | Target                   | Investor/Acquirer   | Target Description   | Deal Size MM |
|--------------|-----------------------|--------------------------|---|--|--------------|
| Oct 15, 2025 | Seed Round            | <b>Everbright Health</b> | W Health Ventures and Sanos Capital                       | Operator of a mental health treatment company intended to help individuals revive their mental conditions                      | \$7.00       |
| Oct 14, 2025 | Angel (individual)    | <b>Lumora</b>            | Undisclosed investors                                     | Provider of medical consultancy services designed to treat complex mental health conditions                                    | NA           |
| Oct 14, 2025 | Early Stage VC        | <b>Marble Health</b>     | Costanoa Ventures, Town Hall Ventures and Khosla Ventures | Operator of virtual mental health platform intended for youth therapy and school-based counseling                              | \$15.50      |
| Oct 09, 2025 | Later Stage VC        | <b>Duos</b>              | FTV Capital and Forerunner Ventures                       | Developer of a personal assistance platform designed to help older adults age independently                                    | \$130.00     |
| Oct 09, 2025 | Accelerator/Incubator | <b>Total Life</b>        | Undisclosed Investors                                     | Developer of a digital health platform designed to offer senior mental health services to older adults to live.                | NA           |
| Oct 08, 2025 | Accelerator/Incubator | <b>Innsightful</b>       | Undisclosed Investors                                     | Developer of an AI-powered mental healthcare platform designed to prevent employee burnout                                     | NA           |
| Oct 06, 2025 | Early Stage VC        | <b>Arcadia Medicine</b>  | SALT Venture Group and Hydrazine Capital                  | Developer of psychoactive compound-based therapeutics designed for mental health treatment                                     | \$9.25       |
| Oct 01, 2025 | Early Stage VC        | <b>Aluna Homes</b>       | Interplay Ventures  | Operator of boutique senior living homes intended to provide cost-efficient residential care for older adults                  | NA           |
| Oct 01, 2025 | Seed Round            | <b>Colla Health</b>      | Twine Ventures  | Developer of an integrated behavioral health platform designed to support cancer patients' mental health                       | \$6.00       |
| Oct 01, 2025 | Early Stage VC        | <b>MedLink Global</b>    | Undisclosed investors                                     | Operator of a psychiatric clinical intelligence system intended for supporting mental health care purposes                     | NA           |
| Oct 01, 2025 | Accelerator/Incubator | <b>My Atlas</b>          | Roy Liu   | AI-powered behavioral health intelligence platform designed to transform how clinics and patients prevent mental health crises | \$10.00      |
| Oct 01, 2025 | Angel (individual)    | <b>Rebrand Health</b>    | Undisclosed investors                                     | Operator of a healthcare consultancy firm intended to provide systems-focused care delivery strategies                         | NA           |



## LAWRENCE, EVANS & CO., LLC

Investment Banking | Healthcare Finance | Consulting

Lawrence, Evans & Co. LLC 'LECO' is a national boutique advisory firm. LECO provides a full range of capital raising (debt & equity), M&A including buy-side/sell-side, as well as financial and operational restructuring services. Since 2003, we have offered advice and support for every process and structure, from short-term solutions to long-term goals. The firm caters to the **Healthcare Providers and Service Companies** (senior housing, hospital, physician services, home health, hospice, behavioral health, RCM, HCIT, CCM, RPM, SDOH, etc.), **Transportation and Logistics** (trucking, warehouse, supply-chain), **Business Services** (managed IT and cyber), and **Real Estate**. Typical clients are under \$250M or \$15M EBITDA, no minimum.

|   |   |   |
|---|---|---|
| <b>M&amp;A Advisory:<br/>Buy-Side/Sell-Side</b> | <ul style="list-style-type: none"> <li>Private Company Sales</li> <li>Division/Subsidiary Divestitures</li> <li>Buy-side search for proprietary</li> </ul>                | <ul style="list-style-type: none"> <li>Acquisition Advisory Services</li> <li>Private Market Financings</li> <li>LBO's and Recapitalizations</li> </ul>     |
| <b>Capital Raising:<br/>Debt/Equity</b>         | <ul style="list-style-type: none"> <li>Strategic Capital Options</li> <li>Valuations &amp; Financial Assessments</li> <li>Bridge Financing, Real Estate, Bonds</li> </ul> | <ul style="list-style-type: none"> <li>Private Equity, Family Office</li> <li>Lines of Credit, Senior Debt</li> <li>Debt Mezzanine, Unitranche</li> </ul>   |
| <b>Turnaround<br/>&amp;<br/>Restructuring</b>   | <ul style="list-style-type: none"> <li>Turnaround Management</li> <li>Debt Restructuring/Refinancing</li> <li>Orderly Liquidations</li> </ul>                             | <ul style="list-style-type: none"> <li>Chief Restructuring Officer (CRO)</li> <li>Bankruptcy Planning/ 363 Sales</li> <li>Receivership / Trustee</li> </ul> |

## Represented Transactions

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| <p><b>NEXTSTEP<br/>SOLUTIONS®</b><br/>Moving Behavioral Health Forward</p> <p>ACQUIRED BY</p> <p><b>OP</b>™ Office Practicum</p> <p><b>LE</b> ACTED AS ADVISOR</p> | <p>BEHAVIORAL HEALTH ADDICTION PROVIDER</p> <p>\$14,500,000</p> <p>REFINANCE, CASHOUT, AND GROWTH ACQUISITION LINE</p> <p>JULY 2025</p> <p><b>LE</b> ACTED AS ADVISOR</p> | <p>YOUTH DISORDER TRANSITIONAL FACILITY</p> <p>SOLD TO</p> <p>STRATEGIC BUYER</p> <p><b>LE</b> ACTED AS ADVISOR</p> | <p>BEHAVIORAL HEALTH SERVICES</p> <p>STRATEGIC OPTION ANALYSIS</p> <p><b>LE</b> ACTED AS ADVISOR</p> |
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| <p>BEHAVIORAL HEALTH AND ADDICTION OUTPATIENT CLINIC SERVICES</p> <p>EXCLUSIVE SELL-SIDE</p> <p><b>LE</b> ACTED AS ADVISOR</p> | <p>IDD OPERATOR</p> <p>SECURED A BRIDGE LOAN</p> <p><b>LE</b> ACTED AS ADVISOR</p> | <p>BEHAVIORAL HEALTH PROVIDER</p> <p>SALE LEASEBACK OF PORTFOLIO OF REAL ESTATE</p> <p><b>LE</b> ACTED AS ADVISOR</p> | <p>6 BEHAVIORAL HEALTH FACILITIES</p> <p>SALE - LEASEBACK</p> <p><b>LE</b> ACTED AS ADVISOR</p> |
|--|--|---|---|

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