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Behavioral Health Market Update

Q2 2026

QUARTER 2 2026 UPDATE:

EXECUTIVE SUMMARY

Behavioral healthcare closed out the second quarter of 2026 with capital markets, policy developments, and public-market sentiment all strongly favoring scaled, clinically integrated platforms, even as the regulatory perimeter around both AI tools and Medicaid eligibility continued to tighten around those same providers.

Policy changes cut both ways. On June 17, HHS posted more than $700 million in new behavioral health funding opportunities under the Great American Recovery Initiative. That includes $238.6 million for the 988 Suicide & Crisis Lifeline, $223.1 million for Certified Community Behavioral Health Clinics, $96 million for the new STREETS homelessness program, and $80 million for substance use prevention, treatment and recovery. These are open competitions not already awarded dollars, and STREETS funding will be spread across four years and just eight communities. On the other side, CMS's interim final rule imposes Medicaid work requirements beginning January 1, 2027. It also replaces diagnosis-based behavioral health exemptions with a functional "medically frail" test, which shifts the documentation burden onto clinicians and could put expansion-population volume at risk. Nebraska, Tennessee, Delaware and Alabama each enacted AI mental-health restrictions in April, forcing digital providers toward state-by-state compliance.

PE and M&A activity showed conviction narrowing rather than broadening in Q2. Autism and IDD services stood out as the clearest area of investor focus, with several direct service acquisitions—including LEARN Behavioral's deal for Little Leaves and Aspect Investors' backing of Apollo Behavior Services—alongside supporting infrastructure plays like Frazier Healthcare Partners' investment in Altruix and Tarrytown Expocare's acquisition of Embrace Healthcare. Non-profit and education-sector carve-outs also provided steady deal flow, highlighted by Acute Behavioral Health's purchase of Grant Gardens. In contrast, digital behavioral health continued its consolidation wave, as point solutions largely abandoned efforts to scale independently and instead exited into larger platforms. Notable examples include Sword Health's acquisition of Headspace (building on its earlier Kaia Health deal in MSK), Timely Telehealth's purchase of Alongside, and Wider Circle's buy of Menda, with the maternal and perinatal cohort largely absorbed by bigger players. UHS's pending $835 million acquisition of Talkspace—shareholder approval secured on May 29—remains the clearest illustration of this strategic integration trend. On a smaller scale, employee ownership continued to emerge as a viable alternative exit route, with examples including North Arrow ABA and Paula Teacher & Associates.

Venture: AI is table stakes, neurotech is the frontier. Capital continued to rotate away from talk-therapy apps and toward AI embedded in clinical workflows such as Tava Health, as well as measurement and stimulation hardware companies like Nia Therapeutics, Epitel, NeuroLife, and Wavelet Medical, along with narrowly specialized care platforms including Klinic, Anonymous Health, and Village. Overall, the market remains barbelled, with a handful of larger later-stage rounds sitting above a wide base of seed and accelerator-level experimentation.

Public equities re-rated ahead of earnings power. LifeStance, Acadia and BrightSpring each closed the quarter within roughly 2% of their 52-week highs. The market is pricing in a strong margin-recovery and volume-normalization thesis rather than reported results.

At the same time, the federal government is investing over $700 million to help people facing some of life's toughest challenges: severe mental illness, addiction, and homelessness.

Announced by HHS Secretary Kennedy as part of the Great American Recovery Initiative, the funding is designed to move people off the streets and into recovery while significantly boosting the 988-crisis lifeline and community behavioral health clinics that support them.

- **A Lifeline in Crisis ($238.6 Million):** A massive portion is going directly to the **988 Suicide & Crisis Lifeline**. This ensures that when someone is having a mental health emergency and bravely reaches out for help, there is a trained voice at the other end ready to answer.
- **A New Approach to Homelessness ($96 Million):** The STREETS program (Safety Through Recovery, Engagement, and Evidence-based Treatment and Support) will award up to $3 million annually for four years

to eight communities focused on people experiencing homelessness with substance use disorders or serious mental illness.

- **Tackling Addiction ($80 Million):** This money is dedicated to preventing substance use disorders and helping those currently struggling to get treatment and find long-term recovery.
- **Local Support Networks ($70 Million):** This will fund community mental health clinics (CCBHCs). The goal is to ensure people have a reliable, local place in their own neighborhood to get comprehensive mental health and addiction care.

The Centers for Medicare and Medicaid Services (CMS) has issued a 2026 interim final rule implementing strict Medicaid work requirements starting January 1, 2027. Under this new mandate, adult expansion enrollees must complete at least 80 hours a month of work, community service, or education to maintain their healthcare coverage.

Crucially, the rule alters behavioral health exemptions for individuals with serious mental illness and substance use disorders (SUD). Rather than granting exemptions based solely on a medical diagnosis, CMS now requires a strict "medically frail" functional test to prove the condition significantly impairs the beneficiary's ability to meet the 80-hour requirement. States only have six months to build verification systems before the deadline.

Key impacts of the CMS rule include:

- **Strict Exemption Criteria:** States are barred from exempting patients by diagnosis alone or creating their own custom exemption categories.
- **Substance Use Limits:** SUD exemptions only cover active treatment and early recovery. Those in "stable recovery" (five or more years) are strictly excluded.
- **Increased Provider Burden:** Clinicians must now provide detailed documentation attesting to functional impairment, adding administrative strain.
- **Divided Industry Reactions:** While insurance trade groups like ABHW praised the rule's clinical guidelines, KFF and CBO analysts warned that bureaucratic red tape will leave millions uninsured without meaningfully increasing overall employment.

Key Q2 2026 Enactments

Building on the foundation of 2025 AI healthcare laws in Illinois, California, Nevada, and Utah, the second quarter of 2026 brought four major new enactments the following bills were formally enacted between early and late April 2026:

- **Nebraska – Conversational AI Safety Act (Enacted April 8):** Nebraska's sweeping chatbot legislation mandates clear disclosures for users interacting with AI and requires strict safety protocols for minors. Crucially for the healthcare sector, it strictly prohibits operators from programming chatbots to represent that they provide professional mental or behavioral health care.
- **Tennessee – Senate Bill 1580 (Enacted Early April, Effective July 1):** Tennessee took direct aim at AI in mental healthcare by prohibiting developers or deployers from advertising or representing their AI systems as "qualified mental health professionals". Violations are strictly enforced as deceptive trade practices under the Tennessee Consumer Protection Act and carry a steep civil penalty of **$5,000 per violation**.
- **Delaware – House Bill 191 (Enacted April 23):** Delaware established rigid boundaries around clinical licensure. The new law bars any nonhuman entity or AI-powered agent from holding professional healthcare licenses—including nursing, advanced practice nursing, physicians, and physician assistants. It additionally prevents AI tools from using protected clinical abbreviations and titles, safeguarding human-only credentialing.
- **Alabama – Senate Bill 63 (Enacted April 17):** Expanding the scope from patient-facing chatbots to back-office algorithms, Alabama's new law tightly governs how health insurers can deploy AI systems in the prior authorization process, ensuring automated behavioral health claim denials face proper human oversight and regulatory scrutiny.

The rapid rollout of these Q2 2026 mandates creates significant operational hurdles for digital health providers. Companies deploying AI for intake, basic triage, or cognitive behavioral therapy (CBT) exercises must now geofence their user experiences or build dynamic compliance guardrails based on the user's location.

PE and M&A Activity

The behavioral health sector is experiencing distinct strategic shifts, driven by high investor conviction in Autism and Intellectual and Developmental Disabilities (IDD) services, widespread consolidation in digital health, and an emerging countertrend of employee ownership.

1. Autism & IDD Services: Peak Investor Conviction

Autism and IDD services remain the sharpest area of investment focus. This conviction is driving direct service acquisitions, investments in supporting infrastructure, and an increase in carve-outs from non-profit and education-sector owners.

- **Direct Service Acquisitions:**
  - **LEARN Behavioral**, backed by Gryphon Investors and PineBridge, acquired Little Leaves Behavioral Services from FullBloom (part of the Catapult Learning portfolio).
  - **Aspect Investors** backed **Apollo Behavior Services**.

- **Supporting Infrastructure:**
  - **Frazier Healthcare Partners** acquired the behavioral health pharmacy platform **Altruix**.
  - **Tarrytown Expocare** (Carlyle-backed) acquired **Embrace Healthcare**.

- **Non-Profit & Education Carve-Outs:**
  - **Acute Behavioral Health** purchased **Grant Gardens** from **Pressley Ridge Schools**, highlighting non-profits as a meaningful new source of deal supply.

2. Digital Behavioral Health: Consolidation Over Standalone Scale

Point solutions are increasingly abandoning efforts to build standalone scale, choosing instead to exit into established distribution networks and larger care platforms.

- **Major Platform Integrations:**
  - **Sword Health** agreed to acquire **Headspace**.
  - **Timely Telehealth** (backed by JMI Equity and Argenta Partners) acquired **Alongside**, an adolescent mental health toolkit.
  - **Wider Circle** purchased **Menda Health**.
  - **Curio FZ** acquired **Nora Mental Health**.

- **Maternal & Perinatal Cohort Absorption:** The maternal mental health sub-sector was absorbed almost entirely by larger entities:
  - **Aeroflow** acquired **Canopie**.
  - **Wisconsin Physicians Service Insurance** acquired **Mavida Health**.
  - **Tot Squad** picked up **Robyn**.

3. Alternative Exits: The Employee Ownership Counter-Current

While private equity and strategic sponsor exits dominated the broader market, a smaller but notable counter-current emerged around employee ownership models.

- **North Arrow ABA** and **Paula Teacher & Associates** both successfully transitioned to employee-owned structures as an alternative to traditional sponsor exits.

Key transactions included:

Acquirer/Investor	Target Company		Sector Focus	Strategic Rationale
Sword Health	Headspace		Digital mental wellness	Expand AI-plus-clinician mental health offering
Spero Health	CleanSlate		Outpatient addiction treatment provider	Build durable platform for Addiction Recovery
LEARN Behavioral	Little Leaves Behavioral Services		Therapy and Mental Care Services	Expansion in the new markets
Frazier Healthcare Partners	Altruix		Behavioral health pharmacy treatment and medication	To build national pharmacy, Scale it and Sell to Payers
Wider Circle	Menda Health		Virtual behavioral pain care	Adding clinical group pain care to its existing senior engagement network

Venture Capital Deals

Funding through the second quarter of 2026 reveals a massive shift in how we approach mental health. Investors are moving away from traditional talk-therapy apps and betting heavily on artificial intelligence, medical hardware, and highly targeted care.

- **AI is No Longer Optional:** The biggest funding rounds are going to platforms that embed AI into clinical care. Companies like **Tava Health** (Series C) and **Legion Health** are using AI to handle patient triage, automate documentation, and streamline access. For investors, AI tools are no longer a flashy bonus, they are a baseline requirement.
- **The Rise of Neurotech:** Investors are looking beyond software to physical medical hardware that can measure and treat brain health. Recent wins include **Nia Therapeutics** (neurostimulation for memory loss), **Epitel** (wearable seizure detection), and early-stage bets like **NeuroLife** and **Wavelet Medical** focusing on rehabilitation and fetal neuro-monitoring.
- **Hyper-Focused Care:** General mental health apps are losing ground to specialized platforms. Pediatric and youth care saw a major surge with **Handspring**'s Series B alongside seed funding for **Village and Ladder Health**. Addiction recovery also remains a primary focus, with platforms like **Klinic** and **Anonymous Health** receiving backing to cover everything from acute treatment to long-term peer coaching.
- **A "Barbell" Investment Market:** The industry is splitting into two extremes. A handful of established, later-stage winners are commanding the massive, headline-grabbing institutional rounds, while a wave of quiet, early-stage seed investments is funding the next generation of experimental AI and neurotech.

Notable financing included:

lirio	**Lirio** develops an AI-driven behavior change platform. The company raised $1.6M in convertible debt on May 19, 2026, bringing its total funding to $74.73M.
tava	**Tava Health**, an online mental healthcare platform offering virtual therapy and personalized treatment plans, raised $40M to expand its clinical network, and develop AI tools.
betternight	**BetterNight** offers virtual care platforms for sleep apnea and insomnia, helping patients improve their mental health. The company received funding from **Escalate Capital Partners**.
EarliPoint HEALTH	**EarliPoint Health** creates eye tracking tech to diagnose and treat childhood autism and related vulnerabilities. It secured $3.5M in convertible debt funding from **Social Innovation** and others.
epitel	**Epitel** develops wearable AI brain monitors for reliable seizure detection. The company secured $2M in Series B funding from investors including **OSF Healthcare**.

PUBLICLY TRADED BEHAVIORAL HEALTHCARE COMPANIES

Selected Publicly Traded Behavioral Healthcare Companies

Company Name	Ticker Symbol	Stock Price 6/30/2026	% 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	10.71	71.63%	107.16%	10.89	3.74	4,089	4,353	0.0	178.5	1,495	78.8	44.3x	2.9x
Acadia Healthcare Company Inc	NAS: ACHC	29.53	29.35%	30.15%	30.20	11.43	2,716	5,437	(12.2)	N/A	3,371	(737.8)	N/A	1.6x
*Brightspring Health Services Inc	NAS:BTSG	69.74	67.89%	195.63%	70.72	19.01	13,687	15,509	0.9	89.4	13,646	459.5	29.4x	1.1x
*Talkspace	NAS:TALK	5.20	0.39%	87.05%	5.23	2.22	871	787	0.0	N/A	238	6.0	919.2x	3.3x
*Outlier Adjusted														
	Average		56.29%	110.98%					(3.8)	134.0			36.9x	2.2x

Source: © PitchBook Data, Inc. 2026

Public Markets and Investor Sentiment

Publicly traded behavioral healthcare equities performed strongly in the second quarter of 2026. The selected comparable companies posted an average gain of 56.29% in the quarter and 110.98% over the trailing twelve months. All four companies performed strongly, ending the quarter within roughly 2% of their 52-week highs. Taken together, the market appears to be pricing a margin-recovery and volume-normalization thesis rather than current earnings power.

LifeStance Health Group (NASD: LFST)

On its May 7 Q1 2026 earnings call, LifeStance described an exceptional start to the year that served as a strong springboard for raising full-year guidance across every key metric. CEO Dave Bourdon called the quarter “exceptional,” and management lifted 2026 revenue guidance to $1.640–$1.680 billion (a $25 million midpoint increase, implying roughly 17% growth), Center Margin to $547–$571 million (up $21 million), and Adjusted EBITDA to $200–$220 million (up $15 million at the midpoint, pointing to ~12.7% margins and more than 150 basis points of expansion). The company also provided Q2 guidance of $405–$425 million in revenue, $135–$147 million Center Margin, and $50–$60 million Adjusted EBITDA, with the year expected to split roughly 50/50 between halves.

Management’s growth story continues to center on steady net clinician additions as the primary long-term driver, supported by ongoing productivity gains and low-to-mid-single-digit rate increases. A broader industry shift from cash-pay to insurance-based care further favors LifeStance’s in-network model. On the strategic front, the company is leaning heavily into digital and AI tools—such as Care Matching 2.0, which improved booking conversion by about 5%—along with AI-driven scheduling and documentation. It also outlined plans for a 2026–2027 EHR transition (with G&A guidance raised $6 million to support it), a return to disciplined tuck-in M&A after ruling out large-scale deals, and expansion of specialty services targeting roughly $70 million in revenue. Looking further ahead, leadership reiterated its longer-term target of mid-teens annual revenue growth and mid-teens Adjusted EBITDA margins by the end of 2028. Recent board refreshments, including new directors with experience at Aon, Triple-S Management, and TPG Capital, along with strong published outcomes data (79% of patients showing clinically significant anxiety improvement and 73% for depression across ~180,000 patients), add further credibility to the long-term positioning.

Acadia Healthcare (NASD: ACHC)

On its Q1 2026 call, led by outgoing CFO Todd Young, who departed April 30 for a CFO role at a private equity-backed animal health company and was succeeded on an interim basis by returning former CFO David Duckworth (2011–2023) effective May 1, with Duckworth expected to serve at least until the company's ongoing permanent-CEO search concludes, Acadia Healthcare's management framed 2026 around operational execution and extracting more value from recent bed additions, using the quarter's beat to raise full-year adjusted EBITDA guidance by $5 million at the midpoint to $580–$615 million and adjusted EPS by $0.05 to $1.35–$1.60, while holding revenue at $3.37–$3.45 billion.

Breaking from its usual practice, the company issued explicit Q2 guidance, revenue of $835–$850 million, adjusted EBITDA of $142–$152 million, and adjusted EPS of $0.30–$0.40, to signal that Q2 net leverage would temporarily spike to 4.4x–4.5x on the timing of Tennessee supplemental payments that had benefited Q2 2025, before returning to 3.9x–4.2x by year-end. Looking ahead, management expects to add 400 to 600 new beds, primarily through facilities nearing completion, while cutting capital investment by over $300 million versus 2025 to a $255–$280 million capex range, with lighter second-half spending as three JV facilities open in the first half. Notably, guidance excludes upside from supplemental payment programs under regulatory review that could add at least $22 million in incremental EBITDA if approved, an estimate management called potentially conservative given Florida's plan.

BrightSpring Health Services (NASD: BTSG)

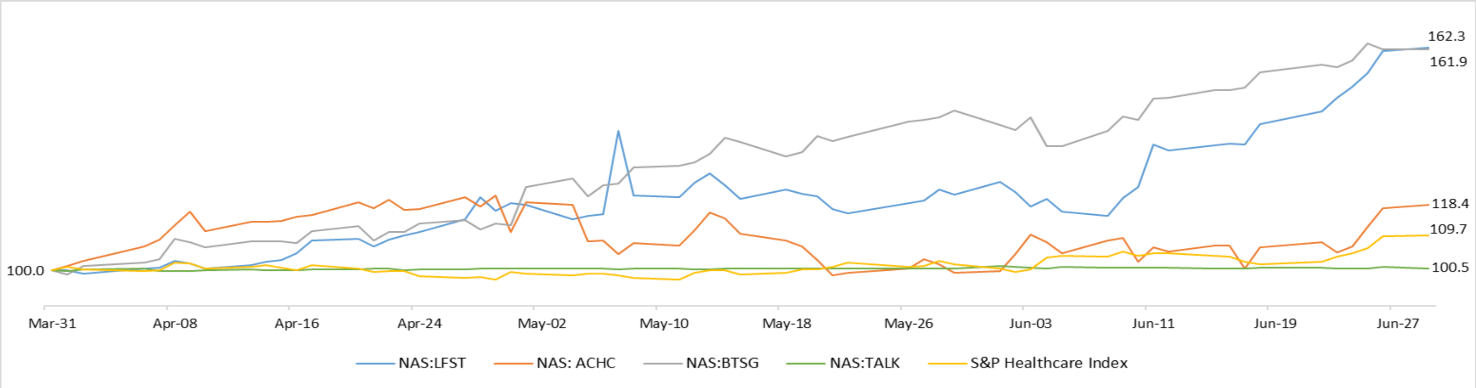
BrightSpring carried its momentum forward with management confident the company is positioned on the right side of the most important trends in health care, reaffirming it feels good about the first three months and is on track to deliver the updated full-year guidance. In Pharmacy Solutions, leadership called the growth outlook healthy, expecting specialty and infusion to keep delivering strong script growth, total specialty and infusion scripts grew roughly 30% year-over-year, specialty above that and infusion in the mid-teens, and flagged infusion as a major geographic expansion opportunity, covering about a third of the country on acute and half on chronic specialty, supported by the newly launched IG Connect concierge program that went live in early Q2.

On the provider side, home health organic growth is expected to be underpinned by continued market share gains, with the acquired Amedisys and LHC branches anticipated to contribute approximately $30 million of EBITDA in year one, and palliative, hospice, rehab, and value-based care each flagged as underpenetrated markets with meaningful runway. CFO Jennifer Phipps guided to full-year adjusted EBITDA margins of 5.2%–5.6%, citing potential for a slight sequential build, while quantifying forward headwinds as tracking to plan: roughly $45 million per quarter of IRA pressure in Home and Community Pharmacy (~$175 million for 2026), ~$181 million in Specialty and Infusion, and ~$250 million from branded-to-generic conversions. With quarterly interest expense near $35 million, ~$500 million of operating cash flow expected, and leverage at 2.27x (2.40x pro forma), management reaffirmed full-year guidance of $14.725 billion–$15.225 billion in revenue and $795 million–$825 million in adjusted EBITDA.

Talkspace (NASD: TALK)

In the first quarter of 2026, Talkspace reported an 18.2% revenue increase to $61.7 million, driven by continued strong growth in its Payor business as the company successfully pivoted away from cash-pay consumers. Adjusted EBITDA improved to $4.6 million, though the company recorded a $6.3 million net loss primarily due to $7.3 million in one-time transaction costs tied to its pending acquisition. Universal Health Services (UHS) is acquiring Talkspace for $5.25 per share—an $835 million enterprise value—to meaningfully expand its virtual behavioral health footprint by leveraging Talkspace's network of approximately 6,000 licensed providers.

With shareholder approval secured on May 29 and a targeted Q3 2026 close pending regulatory clearance, Talkspace's operating performance has become secondary. This transaction highlights the increasing strategic value of virtual platforms as larger behavioral health operators seek to build integrated, end-to-end care continuums amid ongoing demand for accessible outpatient services.



Behavioral Companies Stock Performance

SELECTED TRANSACTIONS

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Jul 08, 2026	Buyout/LBO	**CleanSlate**	Frist Cressey Ventures, KSC Ventures, Heritage Group and other	Outpatient addiction treatment provider offering medication-assisted programs for opioid, alcohol, and substance dependence.	NA
Jul 08, 2026	Merger/Acquisition	**Victory Living Programs**	Ann Storck Center	Supported living and employment services helping adults with disabilities live independently.	NA
Jun 30, 2026	Merger/Acquisition	**North Arrow ABA**	Employees	Behavioral therapy services helping individuals with autism develop independence and improve daily living skills.	NA
Jun 25, 2026	Merger/Acquisition	**Canopie**	Undisclosed Investor	Mental health platform helping pregnant women and new mothers prevent depression and anxiety.	NA
Jun 24, 2026	Merger/Acquisition	**Headspace**	Sword Health	Digital mental health platform offering mindfulness, therapy, coaching, and AI guidance for emotional well-being.	NA
Jun 16, 2026	Merger/Acquisition	**Mavida Health**	Wisconsin Physicians Service Insurance	Mental health platform offering therapy and medication for preconception to postpartum care.	NA
Jun 08, 2026	Merger/Acquisition	**Broadway Medical Clinic**	The Oregon Clinic	Medical provider offering family healthcare, mental health services, diagnostics, and therapy dog support.	NA
Jun 03, 2026	Buyout/LBO	**Therapy Tree Services**	Sidekick Therapy Partners, Green Hills Partners, and Hillandale Advisors	Provider of pediatric bilingual speech, feeding, and dyslexia therapy through clinical, home, and virtual sessions.	NA
Jun 02, 2026	Buyout/LBO	**Discovery Behavioral Health**	HPS Investment Partners	Holistic residential behavioral treatment for eating, mental health, and substance use disorders.	NA
Jun 01, 2026	PE Growth/Expansion	**Connections Health Solutions**	Social Innovation Ventures	Comprehensive behavioral healthcare provider offering immediate crisis stabilization services in less restrictive settings.	NA
May 27, 2026	Merger/Acquisition	**Nora Mental Health**	Curio FZ	Provider of personalized mental health and behavioral therapy for individuals, couples, and families.	NA
May 26, 2026	Buyout/LBO	**Grant Gardens**	ElmCreek Partners, Granite Growth Health Partners, Harbert Management and other	Provides residential psychiatric stabilization, behavioral health programs, and community reintegration services for adolescents.	NA
May 22, 2026	Buyout/LBO	**Altruix**	Frazier Healthcare Partners and Mr. Gregory Ganse	Behavioral health pharmacy services and adherence platform improving treatment coordination and medication adherence.	NA
May 22, 2026	Merger/Acquisition	**Partners Health Management**	Undisclosed Investor	Managed care organization providing crisis help, behavioral health, and community support services.	NA
May 21, 2026	Merger/Acquisition	**MPA services**	Doma	Community-based care helping individuals with disabilities achieve full potential through daily support and adult day programs.	NA

Selected Transactions Cont.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
May 20, 2026	Buyout/LBO	**Circle of Care**	Therapy 2000 and Avesi Partners	Pediatric therapy provider offering speech, physical, and occupational therapy with personalized care plans.	NA
May 19, 2026	Merger/Acquisition	**Menda Health**	Wider Circle	Virtual, non-opioid chronic pain care provider offering therapy and neural training for relief.	NA
May 18, 2026	Corporate	**Hopemark Health**	Brainsway	Mental healthcare platform delivering integrated psychiatric services and treatments for various disorders.	$1.50
May 11, 2026	Buyout/LBO	**Little Leaves**	Gryphon Investors and PineBridge Investments	Healthcare provider offering individualized Applied Behavior Analysis therapy for children with Autism Spectrum Disorder.	NA
May 07, 2026	Merger/Acquisition	**Robyn**	Tot Squad	Integrative maternal and parental wellness services supporting women from pre-pregnancy through parenthood.	NA
May 04, 2026	Buyout/LBO	**Alongside**	JMI Equity and Argenta Partners	AI chatbot providing personalized mental health exercises, journaling, and breathing activities for adolescents.	NA
May 04, 2026	Merger/Acquisition	**KidsPeace**	Inperium	Provides behavioral and mental health care services for children, families, and communities.	NA
May 04, 2026	Buyout/LBO	**Virginian Rehabilitation and Wellness**	Arete Health, MBF Healthcare Partners	Rehabilitation practice providing individualized physical therapy to improve mobility, independence, and quality of life.	NA
May 01, 2026	PE Growth/Expansion	**Apollo Behavior Services**	Aspect Investors	Provides applied behavior analysis and clinical evaluation services to help children with autism acquire skills.	NA
May 01, 2026	PE Growth/Expansion	**Chrysalis Health (Mental Health Care)**	Bow River Capital	Behavioral healthcare provider offering therapy, psychiatric evaluations, and telehealth for mental wellness.	NA
May 01, 2026	PE Growth/Expansion	**Lumate Health Services**	RF Investment Partners	Behavioral health provider offering therapy and support for children with autism and families.	NA
Apr 23, 2026	Buyout/LBO	**Embrace Healthcare**	Promus Equity Partners, The Carlyle Group	Closed-door long-term care pharmacy services for individuals with intellectual and developmental disabilities.	NA
Apr 20, 2026	Merger/Acquisition	**South Community Behavioral Health**	Primary Health Solutions	Behavioral health organization offering mental health, substance use support, counseling, and coordinated services for families.	NA
Apr 16, 2026	Merger/Acquisition	**Pediatric Associates Of NYC**	NYU Langone Health	Provider of pediatric medicine services, offering wellness exams, medical care, and health monitoring for children.	NA
Apr 09, 2026	Merger/Acquisition	**Paula Teacher & Associates**	Employees	Provides education, behavioral, and training support services for individuals with autism and special needs.	NA

SELECTED TRANSACTIONS CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Apr 09, 2026	Buyout/LBO	**Portable Neuromodulation Stimulator**	Accelmed	Portable neuromodulation device and exercises improving mobility for individuals with neurological conditions.	NA
Apr 08, 2026	Merger/Acquisition	**Regional Medical Center Health System**	Orlando Health	Provides hospital-based acute, specialty, and emergency healthcare services across Northeast Alabama.	NA
Apr 06, 2026	Merger/Acquisition	**Rehab America (Franklin)**	Empath Health	Provider of multidisciplinary physical, speech, and occupational therapy alongside restorative care.	NA
Apr 06, 2026	Buyout/LBO	**Word Of Mouth Clinical Associates**	Sidekick Therapy Partners, Green Hills Partners and Hillandale Advisors	Pediatric therapy provider offering speech, academic support, and teletherapy services for children.	NA

Venture and Other Investments

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Jul 10, 2026	Angel (individual)	**BrainTools**	Undisclosed Investor	Therapeutic services helping children develop lifelong learning, speech, language, and academic skills.	$0.25
Jul 09, 2026	Accelerator/Incubator	**Kuddo**	JumpStart	Social mental wellness platform offering daily games, journaling, and community support for self-care.	NA
Jul 09, 2026	Accelerator/Incubator	**Playbl**	LearnLaunch Fund + Accelerator	Game-based health education platform helping adolescents make healthier choices and reduce risky behaviors.	$0.05
Jul 07, 2026	Early Stage VC	**Allswell**	Undisclosed Investor	Virtual mental health therapy and peer-led group sessions tailored for the queer community.	$6.76
Jul 07, 2026	Later Stage VC	**Handspring**	RPS Ventures, Cobalt Ventures, Angelini Ventures and other	Mental healthcare provider offering personalized therapy and support for children, adolescents, and young adults.	$19.00
Jul 02, 2026	Accelerator/Incubator	**Therassist**	Undisclosed Investor	AI-powered practice management platform for therapists, offering transcription, note generation, adherence scoring, and performance feedback.	NA
Jul 01, 2026	Later Stage VC	**Legion Health**	Next Coast Ventures, ZD Ventures, and Y Combinator	AI-powered psychiatric care platform optimizing patient-provider interactions and streamlining clinical operations.	$16.43
Jun 29, 2026	Early Stage VC	**Livelyhood Health**	Undisclosed Investor	Confidential peer recovery coaching and personalized plans supporting professionals addressing substance dependence.	$0.65
Jun 26, 2026	Accelerator/Incubator	**Willow**	Techstars	AI-driven student well-being platform providing personalized mental health support and school counseling tools.	$0.02
Jun 25, 2026	Seed Round	**NeuroLife**	Battelle and The NeuroTech Institute	Wearable neurotechnology restoring hand and arm movement for stroke and spinal injury patients.	$2.90
Jun 23, 2026	Early Stage VC	**ARMR Sciences**	SRX Global	Developer of biodefense immunotherapy countermeasures against synthetic drug, chemical, and biological threats.	NA
Jun 23, 2026	Seed Round	**Ladder Health**	Nina Capital, 25madison, 25m Health, and other	Telemedicine platform providing virtual occupational, physical, and speech therapy for early childhood developmental delays.	$7.00
Jun 18, 2026	Accelerator/Incubator	**Wake up Sense**	LvlUp Ventures	Subscription-based holistic healing platform offering natural mental and hormonal health alternatives.	NA
Jun 16, 2026	Angel (individual)	**Parley Neurotech**	Undisclosed Investor	Developer of neural hearing therapy combining pharmaceutical and acoustic treatments to improve speech comprehension.	$0.14
Jun 15, 2026	Accelerator/Incubator	**Victoriam**	LvlUp Ventures	AI platform providing speech assessment, personalized analysis, and digital speech therapy.	NA

VENTURE AND OTHER INVESTMENTS – CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Jun 11, 2026	Accelerator/Incubator	**DOSE**	LvlUp Ventures	ADHD skills platform offering CBT and DBT-informed tools for emotional regulation and focus management.	NA
Jun 10, 2026	Accelerator/Incubator	**Prosperous Research Systems**	LvlUp Ventures	Developer of contactless brain-computer interface technology improving accessibility and human-machine interaction	NA
Jun 09, 2026	Accelerator/Incubator	**Cabana (Healthcare Services)**	Undisclosed Investor	Virtual platform offering moderated group mental health support for healthcare professionals and first responders.	NA
Jun 08, 2026	Angel (individual)	**Whitecap Care**	Undisclosed Investor	Behavioral healthcare provider offering therapies and mental health services for improved family outcomes.	$0.40
Jun 05, 2026	Later Stage VC	**Klinic**	Somersault Ventures, Draper Associates, I2BF Global Ventures	Digital addiction treatment clinic offering virtual recovery support, medication-assisted aftercare, and digital sobriety tools.	$24.22
Jun 03, 2026	Later Stage VC	**Nia Therapeutics**	Ben Franklin Technology Partners of Southeastern Pennsylvania and Paeonia Group	Develops neurostimulation therapies treating memory loss from brain injury and neurodegenerative diseases.	$26.50
Jun 02, 2026	Seed Round	**Beckley Clinical**	Undisclosed Investor	Inpatient and telehealth clinic offering psychotherapy and psychedelic-assisted treatments for mental health conditions.	$7.38
Jun 02, 2026	Seed Round	**Radley Care**	CareSource, Peg's Foundation, Aurora Forge and other	App-based peer support platform matching adults with mental illness to certified peer supporters.	$3.00
Jun 01, 2026	Early Stage VC	**Circle Health (Enterprise Systems (Healthcare))**	GTMfund	AI healthcare platform automating clinical documentation, compliance, and claims management for behavioral facilities.	NA
Jun 01, 2026	Grant	**INVI MindHealth**	U.S. Department of Health and Human Services	Mental healthcare platform using biometrics and AI to help veterans improve their well-being.	$4.00
Jun 01, 2026	Early Stage VC	**Lean Medical**	Octopus Ventures	Provider of behavioral health care, ABA therapy, psychiatry, and telehealth services for children with autism.	NA
Jun 01, 2026	Early Stage VC	**PointHealth**	True Wealth Ventures	AI-driven clinical decision support platform helping behavioral health providers select the most suitable patient medications.	NA
May 28, 2026	Angel (individual)	**Intelligent Therapeutics (Clinics/Outpatient Services)**	Undisclosed Investor	AI-powered mental and behavioral health platform providing continuous support outside traditional therapy sessions.	$0.10
May 28, 2026	Later Stage VC	**Psilera**	Undisclosed Investor	Developer of psychedelic-based drugs repurposing natural products to treat mental health disorders.	$8.80
May 27, 2026	Later Stage VC	**Epitel**	OSF Healthcare, MedTech Angels	AI-powered wearable sensor system providing accurate, cloud-based brain health monitoring and electrographic seizure detection.	$21.00

VENTURE AND OTHER INVESTMENTS – CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
May 19, 2026	Later Stage VC	**Lirio**	Undisclosed Investor	AI-powered behavior change platform helping employers and healthcare systems drive positive wellness habits.	$1.60
May 15, 2026	Accelerator/Incubator	**Braiv (Decision/Risk Analysis)**	Pava Marie LaPere Center for Entrepreneurship	AI-based precision psychiatry platform supporting medication selection and mental health treatment planning.	$0.01
May 14, 2026	Early Stage VC	**Ampa Health**	Jake Collective, Neta Foundation, Trimera Capital and other	Neurotechnology firm offering transcranial magnetic stimulation therapy to treat depression and neurological disorders.	NA
May 13, 2026	Accelerator/Incubator	**Ama AI**	LvlUp Ventures	Adaptive software supporting learning and behavioral development for children with disabilities.	NA
May 13, 2026	Seed Round	**Oaklin Lane**	Undisclosed Investor	Pediatric therapy provider offering sensory, motor, and speech development services for children	$3.24
May 05, 2026	Seed Round	**Village**	Upfront Ventures, Perceptive Ventures, GTMfund and other	Pediatric therapy platform simplifying discovery, management, and coordination of specialized care for families.	$9.48
May 04, 2026	Accelerator/Incubator	**CogniFit**	Undisclosed Investor	Digital healthcare platform offering personalized cognitive assessments and brain training software.	NA
May 01, 2026	Early Stage VC	**BetterBrain (Clinics/Outpatient Services)**	Primetime Partners	Personalised brain health assessment and coaching platform to help prevent dementia and Alzheimer's disease.	NA
May 01, 2026	Later Stage VC	**BetterNight**	Escalate Capital Partners	Virtual-care sleep platform providing home sleep testing, telehealth sleep apnea care, and insomnia therapy.	NA
May 01, 2026	Early Stage VC	**Orbit Neuro**	Transpose Platform Management, Saga Ventures	Wearable brain-computer interface platform decoding emotions to provide data-driven mental healthcare.	NA
May 01, 2026	Equity Crowdfunding	**SohoMD**	Wefunder	Telehealth provider offering remote mental health, weight management, and migraine treatment via licensed clinicians.	$0.12
May 01, 2026	Later Stage VC	**Total Life**	Panache Ventures	Digital health platform offering online talk therapy and mental health services for older adults	NA
Apr 30, 2026	Equity Crowdfunding	**Valley Center Wellness**	PicMii Crowdfunding	Provider of integrated wellness services supporting mental, physical, and emotional health.	$0.75
Apr 29, 2026	Later Stage VC	**EarliPoint Health**	Social Innovation Ventures	Health technology developer creating diagnostic and therapeutic tools for children with autism.	$3.50
Apr 27, 2026	Accelerator/Incubator	**MedLink Global**	Mayo Clinic Platform	AI-powered digital psychiatric platform providing mental health assessments and treatment guidance for healthcare providers	$0.70

VENTURE AND OTHER INVESTMENTS – CONT.

Deal Date	Deal Type	Target	Investor/Acquirer	Target Description	Deal Size MM
Apr 21, 2026	Later Stage VC	**Tava Health**	Centana Management, Peterson Partners, Catalyst Investors and other	Online mental health platform offering therapy, personalized treatment plans, and virtual consultations.	$40.00
Apr 17, 2026	Early Stage VC	**Onos Health**	Flare Capital Partners and other	Behavioral health platform that automates documentation, streamlines workflows, and reduces administrative overhead.	$16.00
Apr 17, 2026	Seed Round	**Serenity For Life**	Undisclosed Investor	Women's rehabilitation and recovery center offering personalized, holistic addiction treatment.	NA
Apr 15, 2026	Seed Round	**Beckley Retreats**	SeedFund Capital, Momentis, Impact Assets	Virtual integration program offering scientific insights, training, and safe, legal psychedelic retreats for neurological disorders.	$6.07
Apr 15, 2026	Later Stage VC	**Trayt Health**	Undisclosed Investor	Patient-centric behavioral health platform streamlining care coordination and consulting between primary care and specialist providers.	$7.17
Apr 14, 2026	Seed Round	**Wavelet Medical**	Aegis Ventures	Developer of EEG-based monitoring devices assessing fetal brain development.	$7.00
Apr 07, 2026	Early Stage VC	**Anonymous Health**	111 West Capital and Life Extension Ventures	Therapy-based app offering personalized treatments and support to overcome substance abuse and behavioral addictions.	$15.00
Apr 06, 2026	Early Stage VC	**InSite Health**	Expanse Venture Partners	Behavioral health platform helping K-12 school districts address student mental health needs.	$5.20
Apr 06, 2026	Early Stage VC	**Moona Health**	Undisclosed Investor	AI-powered sleep care platform offering drug-free Cognitive Behavioral Therapy for Insomnia.	$3.70

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, longevity, 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.

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- Private Company Sales
- Division/Subsidiary Divestitures
- Buy-side search for proprietary
- Acquisition Advisory Services
- Private Market Financings
- LBO's and Recapitalizations

Capital Raising: Debt/Equity

- Strategic Capital Options
- Valuations & Financial Assessments
- Bridge Financing, Real Estate, Bonds
- Private Equity, Family Office
- Lines of Credit, Senior Debt
- Debt Mezzanine, Unitranche

Turnaround & Restructuring

- Turnaround Management
- Debt Restructuring/Refinancing
- Orderly Liquidations
- Chief Restructuring Officer (CRO)
- Bankruptcy Planning/ 363 Sales
- Receivership / Trustee

Represented Transactions

NEXTSTEP SOLUTIONS® Moving Behavioral Health Forward ACQUIRED BY OP Office Practicum ACTED AS ADVISOR	BEHAVIORAL HEALTH ADDICTION PROVIDER $14,500,000 REFINANCE, CASHOUT, AND GROWTH ACQUISITION LINE JULY 2025 ACTED AS ADVISOR	YOUTH DISORDER TRANSITIONAL FACILITY SOLD TO STRATEGIC BUYER ACTED AS ADVISOR	BEHAVIORAL HEALTH SERVICES STRATEGIC OPTION ANALYSIS ACTED AS ADVISOR
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Neil Johnson (*Managing Partner*) njohnson@lawrenceevans.com
David Opalek (Director) dopalek@lawrenceevans.com
Shivam Nag (Associate)