



Talkspace:

Feeling better starts with a single message

41st Annual J.P. Morgan Healthcare Conference

Jon R. Cohen, MD, CEO
Jennifer Fulk, CFO

JANUARY 12, 2023



Disclaimer

Talkspace, Inc. (the “Company”) reports its financial results in accordance with U.S. generally accepted accounting principles (“GAAP”). The select preliminary, unaudited results described in this presentation are estimates only and are subject to revision until the Company reports its full financial and business results for the quarter and year ended December 31, 2022 including the completion of the preparation and audit of the Company’s financial statements and the subsequent occurrence or identification of events prior to the formal issuance of the audited financial statements for fiscal 2022.

This presentation may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking, including statements regarding our financial condition, anticipated financial performance, business strategy and plans, market opportunity and expansion and objectives of our management for future operations. These forward-looking statements generally are identified by the words “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “forecast,” “future,” “intend,” “may,” “might,” “opportunity,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strategy,” “strive,” “target,” “will,” or “would”, the negative of these words or other similar terms or expressions. The absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many important factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to: our history of losses; the rapid evolution of our business and the markets in which we operate; our ability to continue growing at the rates we have historically grown, or at all; the development of the virtual behavioral health market; competition in our industry; and our relationships with affiliated professional entities to provide physician and other professional services. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in under the caption “Risk Factors” in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 filed with the Securities and Exchange Commission (“SEC”) on November 8, 2022 and in our other documents filed from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. We do not give any assurance that we will achieve our expectations.

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

National leader in virtual behavioral healthcare

- Diversified revenue streams across multiple channels
- Strong commercial pipeline through established, trusted relationships with national payers and large employers
- Improving outcomes and efficiencies from continued product and clinical innovation
- Leading brand driving customer recognition and organic traffic across distribution channels
- Nationwide network of licensed therapists and prescribers covering a broad spectrum of clinical expertise
- Path to profitability while maintaining strong cash position
- Sizable, underpenetrated TAM with continued growing demand

Significant and growing demand, increasing telehealth adoption

Sizeable and growing unmet need

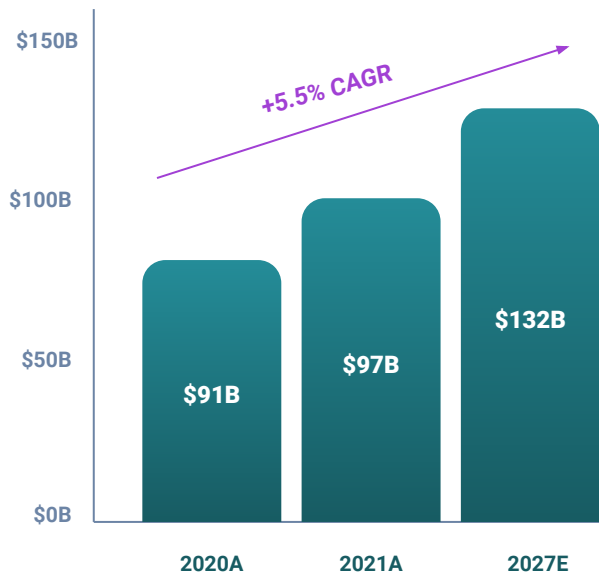
>30%

Of U.S. adults experienced symptoms of anxiety or depression as of June 2022²

40%

Of employees who left jobs in 2021 cited burnout as a main driver of their decision⁴

Projected U.S. Behavioral Health Market Growth³



High effectiveness of telehealth and sustained increase in use

80%

Of study participants found Talkspace more effective or as effective as in-person therapy¹

~2x

Increase in mental health claims as a percentage of total telehealth claims⁵

¹ Telemedicine and e-Health 2017

² KFF and Epic Research

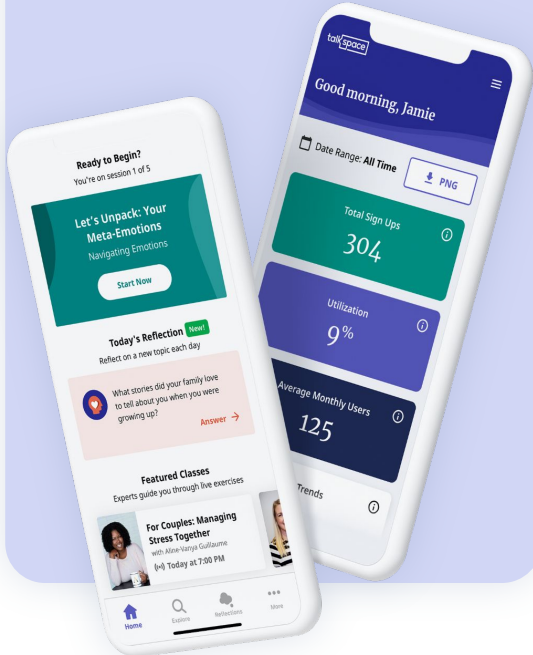
³ Precedence Research

⁴ GNA Partners

⁵ FAIR Health, 2022

Full spectrum of care offered within the platform

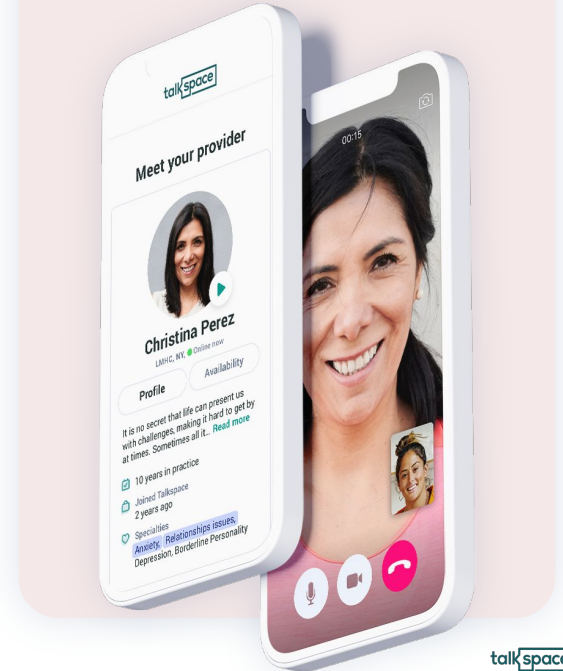
Self-Guided



Therapy



Psychiatry



Trusted platform with established national partners

Behavioral Health Plans



- In-network provider, accessed via member co-pay
- Fee-for-service model

Employee Assistance Programs



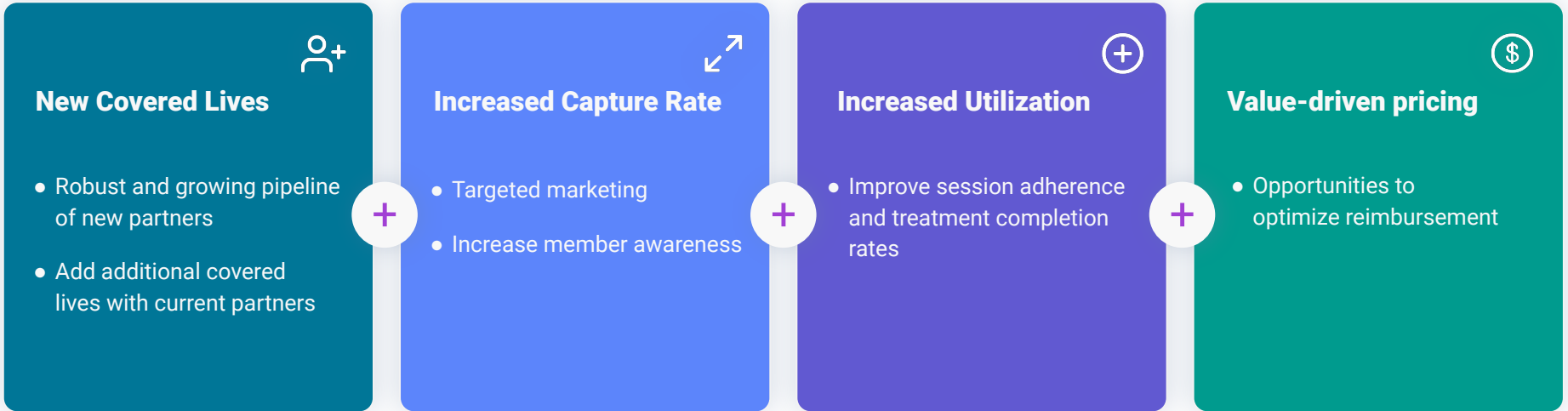
- Limited number of fully covered sessions with Talkspace
- Fee-for-service model

Employers

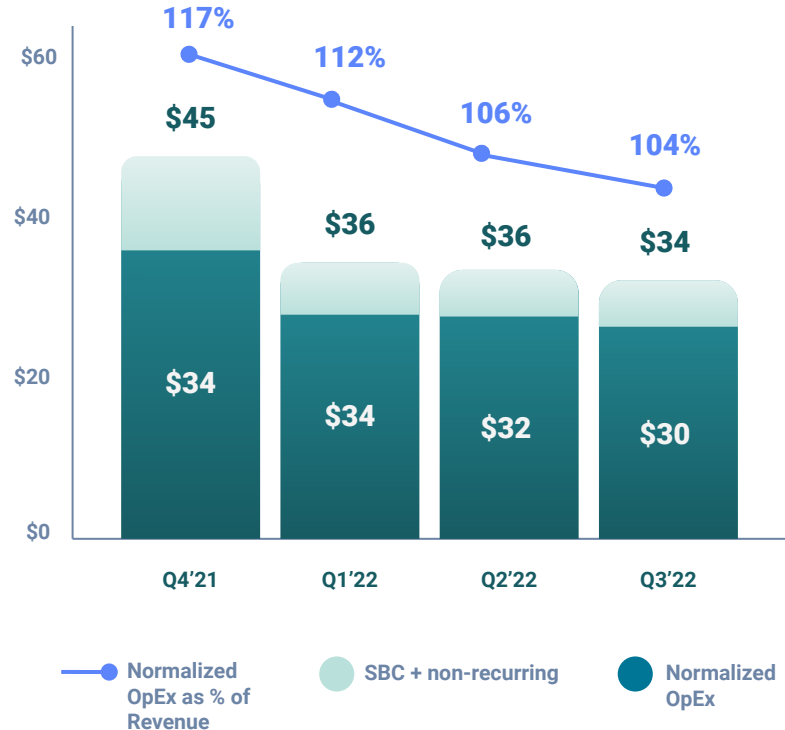


- Fully covered access to Talkspace based on employer-selected plan
- Per employee per month subscription model

Multiple drivers of payer revenue growth



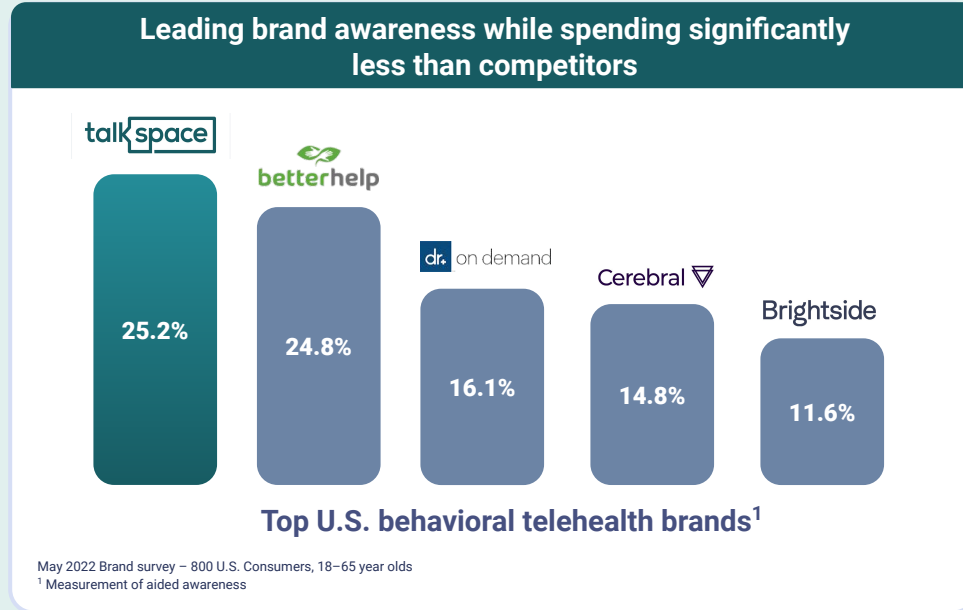
Operating efficiencies driving towards profitability



Efficiency measures taken

- Labor cost efficiencies
- Optimize marketing and brand spend across channels
- Consolidate and re-negotiate vendor contracts
- Focus on salesforce productivity
- Improve provider network productivity
- Disciplined corporate spend

Talkspace brand awareness drives marketing efficiencies



“I work with a therapist, I’m on Talkspace, you can go on your phone, you can go on your computer... whenever you want.”

– Michael Phelps



Product innovation supports business priorities

Increase revenue



- Improve bookings conversion
- Improve member satisfaction and retention
- Increase reimbursable sessions

Decrease costs



- Increase provider efficiency
- Increase network utilization
- Improve provider satisfaction

Submit progress notes (3)

Date and time	ID	Status	Action
Mon, Jun 8	Messaging Session	Nickname Room: 3017139 User: 3034411	» EAP Session occurred Submit Reopen
Fri, Jun 5	Messaging Session	Nickname Room: 3017139 User: 3034411	» Reopened Submit Snooze

National network growing to meet demand

Network overview

3K+

*Total providers in network,
licensed across all 50 states*

~30%

*Growth in number of providers
in the last 12 months*

34%

*Clinicians who identify as
a person of color*

Hybrid network








In-house, full-time
providers



Independent contractor
providers

Provider platform of choice

-  Rewards & recognition
-  Learning & development
-  Community & culture
-  Convenience & admin support
-  Meaningful work

Effectiveness demonstrated with strong clinical outcomes

Demonstrated improvements with asynchronous messaging therapy

10K+
individuals
participated across
50 states

12
Weeks of
asynchronous
messaging therapy

67%

Resulted in remission or improvement of symptoms on measures of depression and anxiety



Healthcare workers benefited during COVID-19 pandemic

820
Healthcare workers
participated

35%
first time in therapy

56%

Resulted in remission or improvement of symptoms on measures of depression and anxiety with just 30 days of care in most cases

Near-term priorities

- Achieve profitability while maintaining significant cash reserves
- Continue to invest in product and clinical innovation
- Evolve go-to-market strategies to meet changing customer needs through profitable solutions
- Strengthen leadership position with national payer coverage and activate covered lives
- Renew commitment to become platform of choice for providers

Key Takeaways



Diversified revenue streams across multiple channels



Strong commercial pipeline via established relationships with national payers and large employers



Improving outcomes and efficiencies from continued product and clinical innovation



Leading brand driving customer recognition and organic traffic across distribution channels



Nationwide network of licensed therapists and prescribers covering a broad spectrum of clinical expertise



Path to profitability while maintaining strong cash position



Q & A

41st Annual J.P. Morgan Healthcare Conference

Jon R. Cohen, MD, CEO
Jennifer Fulk, CFO

JANUARY 12, 2023