Health Care Market Oversight (HCMO) Program
HCMO-1: Notice of Material Change Transaction

You can get this document in other languages, large print, braille or a format you prefer free of charge. Contact us by email at hcmo.info@oha.oregon.gov or by phone at 503-945-6161. We accept all relay calls.

General Instructions

Pursuant to Oregon Revised Statute (ORS) 415.501, an entity to a material change transaction must submit a Notice to the Oregon Health Authority (OHA) notifying OHA of such transaction. This HCMO-1 Notice form must be used to comply with this statutory mandate.

You must file this HCMO-1 Notice form electronically with OHA, in a portable document form (pdf), by email to hcmo.info@oha.oregon.gov **no less than 180 days** before the expected closing date of your material change transaction. Please submit the completed HCMO-1 Notice form, other relevant HCMO forms, and any supplemental documents as separate files.

To avoid delays in OHA's review of your proposed transaction, due diligence is required to complete this HCMO-1 Notice form correctly. Please provide a public-facing response to each item. Pursuant to the requirements of OAR 409-070-0070(1), this form should not contain any information you intend to designate as confidential. All information you designate as confidential must be provided separately as one or more supplemental attachments to this form. To avoid unnecessary delays, do not redact content that is publicly available or without grounds for a claim of confidentiality under Oregon law. Please consistently apply Bates numbering to all documents submitted with this form and include the applicable Bates number sequence on all redaction logs.

The Notice is not complete until all required information is satisfactorily provided, and the review period will not run until OHA deems the Notice complete.

This HCMO-1 Notice form, along with any public supporting documents, will be published and serve as notice to the public. Contact program staff with any questions or to request technical assistance at hcmo.info@oha.oregon.gov.

Who must file a Notice

Under ORS 415.501, an entity entering into a transaction that constitutes a material change must submit written notice to OHA of such material change.

A material change transaction includes:

A. A transaction in which at least one party had average revenue of $25 million or more in the preceding three fiscal years and another party:
   i. Had an average revenue of at least $10 million in the preceding three fiscal years; or
   ii. In the case of a new entity, is projected to have at least $10 million in revenue in the first full year of operation at normal levels of utilization or operation as prescribed by the authority by rule.

Out-of-state entities

If a transaction involves a health care entity in this state and an out-of-state entity, a transaction that otherwise qualifies as a material change transaction must submit this Notice if the transaction may result in increases in the price of health care or limit access to health care services in this state. See OHA Guidance on Out-of-State Entities.

Confidentiality

Information on this HCMO-1 Notice form shall be a public record and will be posted on OHA's website. Pursuant to ORS 415.501(13), OHA shall maintain the confidentiality of all confidential information and documents that are not publicly available that are obtained in relation to a material change transaction and may not disclose the information or documents to any person without the consent of the person who provided the information or document. Information and documents described in this paragraph are exempt from disclosure under Oregon Public Records Law (ORS 192.311 to 192.478).

Entities must follow the requirements of Oregon Administrative Rule (OAR) 409-070-0070 when designating portions of a Notice and any documents submitted by the applicant in support of the Notice as confidential. See OHA Use of Confidential Information Guidance.

Definitions

"**Acquisition**" occurs when:

a) Another person acquires control of the health care entity including acquiring a controlling interest as described in OAR 409-070-0025;
b) Another person acquires, directly or indirectly, voting control of more than fifty percent (50%) of any class of voting securities of the health care entity other than a domestic insurer as described in OAR 409-070-0025(1)(c);
c) Another person acquires all or substantially all of the health care entity's assets and operations;
d) Another person undertakes to provide the health care entity with comprehensive management services; or
e) The health care entity merges tax identification numbers or corporate governance with another entity.

"**Legal entity name**" means legal business name as reported with Internal Revenue Service.

"**Merger**" means a consolidation between two or more organizations, including two or more organizations joining through a common parent organization or two or more organizations forming a new organization.

"**NPI**" means 10-digit National Provider Identification number issued by the Centers for Medicare and Medicaid Services (CMS).

"**Tax ID**" means 9-digit federal tax identification number also known as an employer identification number (EIN) assigned by the Internal Revenue Service.

"**Transaction**" means:

a) A merger of a health care entity with another entity;
b) An acquisition of one or more health care entities by another entity;
c) New contracts, new clinical affiliations and new contracting affiliations that will eliminate or significantly reduce, as defined by the authority by rule, essential services (see Essential Services and Significant Reduction guidance);
d) A corporate affiliation involving at least one health care entity; or
e) Transactions to form a new partnership, joint venture, accountable care organization, parent organization or management services organization.

Additional defined terms can be found at ORS 415.500 et seq. and OAR 409-070-0000 to -0085.

I. Parties to the proposed transaction

List the entity name for all parties to the proposed transaction. Add extra rows as needed for additional parties.

Party A (Applicant)	Headspace, Inc.
Party B	Sword Health Technologies, Inc.
Party C	OrangeDot, Inc.

Click or tap here to enter text.

II. Contact information for the parties

Provide contact information for the proposed transaction, as requested below.

1. Provide information for Party A.

Legal entity name	Headspace, Inc. ("Headspace")
Assumed name	N/A

Tax ID	See Appendix to HCMO-1.
Mailing address	595 Market Street, 7th Floor, San Francisco, CA 94105
Website	https://www.headspace.com/
Contact Name	Patrick Lytle
Title	General Counsel
Phone	(925) 878 - 5425
Cell Phone	(925) 878 - 5425
Email	Patrick.lytle@headspace.com

Is Party A represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party A's legal counsel, if applicable.

Name	Drew McCormick
Firm	McDermott Will & Schulte LLP[1]
Address	200 Clarendon Street, Floor 58, Boston, MA 02116-5021
Phone	(617) 380 - 7157
Email Address	dmccormick@mcdermottlaw.com

2. Provide information for Party B.

Legal entity name	Sword Health Technologies, Inc. ("Sword")
Assumed name	N/A
Tax ID	See Appendix to HCMO-1.
Mailing address	169 Madison Ave, Ste. 15501, New York, NY 10016
Website	https://swordhealth.com/
Contact Name	Elizabeth Stevens

[1] McDermott is serving as counsel for the filing subject to all required approvals and waivers by both parties.

Title	Chief Legal Officer
Phone	(385) 308 - 8034
Cell Phone	(385) 308 - 8034
Email	legal@swordhealth.com

Is Party B represented by legal counsel for this transaction?

☒ Yes

☐ No

Provide information regarding Party B’s legal counsel, if applicable.

Name	Drew McCormick
Firm	McDermott Will & Schulte LLP[2]
Address	200 Clarendon Street, Floor 58, Boston, MA 02116-5021
Phone	(617) 380 - 7157
Email Address	dmccormick@mcdermottlaw.com

See Appendix to HCMO-1 for information regarding Party C.

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 2.

3. Provide a billing contact for payment of review fees.

Name	Elizabeth Stevens
Address	595 Market Street, 7th Floor, San Francisco, CA 94105
Phone	(385) 308 - 8034
Email Address	legal@swordhealth.com

[2] As noted above, McDermott is serving as counsel for the filing subject to all required approvals and waivers by both parties.

III. About the proposed transaction

4. Provide the type of material change transaction. (See OAR 409-070-0010 for definitions of transactions subject to review.)

   ☐ Merger

   ☒ Acquisition

   ☐ Affiliation

   ☐ Contract

   ☐ Other (specify)__________

5. What is the anticipated effective date of the proposed material change transaction? September 21, 2026

6. Briefly describe the proposed material change transaction, including:

   a. Goals and objectives

      The objective of the proposed transaction ("Proposed Transaction") is to support the current behavioral health service offerings of Headspace and HMG (as hereinafter defined) via enhanced technology with no adverse changes to patients or payors.

   b. Summary of transaction terms

      Through a reverse triangular merger, at the closing of the Proposed Transaction, Sword's wholly owned subsidiary, Apollo Merger Sub, will merge with OrangeDot, Inc. ("OrangeDot"), the current parent company of Headspace. Apollo Merger Sub was formed strictly for the purposes of merging into OrangeDot and will no longer exist following the consummation of the transaction. Headspace will remain a wholly-owned subsidiary of OrangeDot, which in turn will be a wholly-owned subsidiary of Sword post-closing of the Proposed Transaction.

   c. Why the transaction is necessary or warranted

      The Proposed Transaction will combine Headspace's mental health, coaching, and wellness platform with Sword's digital health platform and will enhance access to behavioral health services.

   d. Any exchange of funds between the parties, including the nature, source and amount of funds or other consideration (such as any arrangement in which one party agrees to furnish the other party with a discount, rebate, or any other type of refund or remuneration in exchange for, or in any way related to, the provision of health care services).

Sword will acquire Headspace through a merger agreement. The purchase price is based on an arms-length negotiated valuation of the business and is not consideration or remuneration in exchange for the provision of healthcare services. The merger consideration comprises the full exchange of funds.

7. Describe the negotiation or transaction process that resulted in the entities entering into an agreement.

   As described in greater detail below, Headspace's parent company, OrangeDot, evaluated a number of potential buyers through a competitive selection process, and Sword was selected out of that process.

   a. How the entities were identified (e.g., did one party approach the other, did one party engage in a bid/auction process, etc.)

      Headspace's parent company, OrangeDot, engaged Morgan Stanley to conduct a formal process to explore strategic alternatives, including potential strategic investments, capital raises, and merger/acquisition transactions. As part of that process, OrangeDot solicited interest from a number of potential strategic and financial partners.

      Following this process, OrangeDot determined that an acquisition by Sword represented the best outcome and selected Sword as the preferred potential buyer.

      The parties thereafter engaged in arms-length negotiations, conducted mutual due diligence, and executed a definitive agreement on June 24, 2026.

   b. Any due diligence performed by any of the parties to the transaction. Provide any products, reports, or analyses resulting from due diligence processes.

      Each party performed due diligence through both internal and external legal counsel. All such diligence reports and work product are attorney work product and subject to attorney-client privilege.

8. Will the proposed material change transaction change control of a public benefit corporation or religious corporation?

   ☐ Yes

   ☒ No

9. List any applications, forms, notices, or other materials that have been submitted to any other state or federal agency regarding the proposed material change transaction. Include the data and nature of any submissions. This includes, but is not limited to,

the Oregon Department of Consumer and Business Services, Oregon Public Health Division, Oregon Department of Justice, U.S. Department of Health and Human Services (e.g., Pioneer ACO or Medicare Shared Savings Program application), Federal Trade Commission, and U.S. Department of Justice.

The Proposed Transaction requires a Hart-Scott-Rodino filing with the Federal Trade Commission, and the following state transaction notice filings:

- Notice of a material change transaction submitted to Massachusetts's Health Policy Commission at least 60 days prior to closing.

- Notice of a health care entity transaction to Minnesota's Attorney General at least 60 days prior to closing.

a. If a pre-merger notification was filed with the Federal Trade Commission or U.S. Department of Justice, please attach the pre-merger notification filing along with this notice submission.

   Attached as Appendix 9a.

IV. About the entities involved in the proposed transaction

10. Describe Party A.
    See responses below.

   a. Describe Party A's business, including business lines or segments

      Headspace is a digital mental health and wellness company and management services organization ("MSO"). Headspace provides management and administrative services to its applicable affiliated professional clinical entities, collectively referred to as Headspace Medical Group, ("HMG"), each of which employs or contracts licensed therapists, psychiatrists, and other behavioral health providers to deliver clinical services to members, including in Oregon. Headspace operates across two primary business segments/business lines:

      - Business-to-Business ("B2B"): Headspace contracts with employers and health plans to provide mental health and wellness benefits to their employees and members. B2B members access Headspace's services through employer-sponsored benefit programs.

      - Direct-to-Consumer ("D2C"): Headspace offers a direct-to-consumer subscription product providing individuals with access to an on-demand mindfulness, meditation, sleep, and wellness content through the Headspace app. Coaching and therapy are also offered to consumers.

   b. Describe Party A's governance and operational structure (including ownership of or by a health care entity)

Headspace is a Delaware corporation and wholly-owned subsidiary of OrangeDot, which is also a Delaware corporation. OrangeDot is a privately held company owned by its shareholders, which include investors, founders, and employee stockholders. OrangeDot is governed by a board of directors. Headspace is managed as a wholly owned subsidiary of OrangeDot without a separate board.

Headspace operates as an MSO. In this capacity, Headspace provides management, administrative, technology, billing, and operational services to HMG entities pursuant to business support services agreements between Headspace and each HMG entity. Headspace does not directly employ licensed healthcare providers or deliver clinical services directly to patients.

The HMG entity providing behavioral health services to Oregon residents is Headspace Medical Group (MI) PLLC ("HMG MI PLLC"), a Michigan professional limited liability company that is foreign-qualified to operate in Oregon. HMG MI PLLC is wholly owned by Jon Kole, a licensed psychiatrist, who serves as the sole shareholder and director of HMG MI PLLC. HMG MI PLLC employs or contracts licensed behavioral health providers — including therapists, psychiatrists, and coaches — to provide telehealth-based behavioral health services to members in Oregon and other states.

Prior to June 5, 2026, the HMG entity providing services in Oregon was Ginger.IO of California Medical, P.A., a Kansas professional association. All Oregon business has been transferred to HMG MI PLLC, and Ginger.IO of California Medical, P.A. is in the process of being dissolved.

OrangeDot

- Board of Directors:
  - Tom Pickett
  - Molly Coye
  - Ram Jagannath
  - Ben Spero
  - Julia Cheek
  - Vinod Khosla

- Officers:
  - Tom Pickett (CEO)
  - Nihal Shah (CFO)
  - Patrick Lytle (Secretary)

c. Provide a diagram or chart showing the organizational structural and relationships between business entities.

See Appendix 10c.

d. List all of Party A's business entities currently licensed to operate in Oregon using [HCMO-1b: Business Entities form](). Provide the business name, assumed business name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

See attached HCMO-1b Business Entities form.

e. Provide financial statements for the most recent three fiscal years. If Party A also operates outside of Oregon, provide financial statements both for Party A nationally and for Party A's Oregon business.

Headspace does not independently prepare and compile financial statements, and OrangeDot does not prepare and compile financial statements on a state-by-state basis.

The OrangeDot audited financials include all subsidiary and affiliated professional entities. For the avoidance of doubt, this includes (i) the subsidiary entities Headspace, Headspace Studios, LLC, MAOUI LLC, Ginger.io, Inc., Ginger.io Coaching Services, LLC, and Headspace Mediation Ltd.; (ii) the affiliated professional entities Headspace Medical Group (CA), P.C., Headspace Medical Group (NJ), LLC, Headspace Medical Group (KS) LLC, Headspace Medical Group (MI) PLLC; and (iii) the legacy Ginger.io affiliated professional entities Ginger.io of California Medical PC (a California professional corporation), Ginger.io of California Medical P.C. (a Hawaii professional corporation), Ginger.io of California Medical P.C. (a New Jersey professional corporation), Ginger.io of California Medical P.C. (an Alaska professional corporation), Ginger.io of California Medical P.C. (a Kansas professional corporation), and Ginger.io of California Medical P.C. (a Michigan professional corporation).

See consolidated financials for OrangeDot and Headspace for the fiscal years 2022-2025, attached as <u>Appendix 10e</u>.

f. Describe and identify Party A's health care business. Provide responses to i-ix as applicable:

   i. Provider type (hospital, physician group, etc.)

      MSO

   ii. Service lines, both overall and in Oregon

Together with HMG, Headspace's service offerings nationally and in Oregon include:

- On-demand mindfulness and meditation content and AI wellness companion
- Behavioral health coaching (i.e., on-demand text-based, video by appointment)
- Virtual therapy (i.e., individual sessions with licensed therapists)
- Virtual psychiatry (i.e., individual sessions with licensed psychiatrists)
- Employee Assistance Program (EAP) services provided in partnership with EAP partners

   iii. Products and services, both overall and in Oregon

      See immediately above.

iv. Number of staff and FTE, both overall and in Oregon

Oregon employee count:

- Headspace, Inc.: 11 employees with 11 FTEs
- Headspace Medical Group:1 employee

Nationwide employee count:

- Headspace, Inc.: 345 with 340 FTEs
- Headspace Medical Group: 234 with 80 FTEs

v. Geographic areas served, both overall and in Oregon

HMG practices provide telehealth services nationwide, including all geographic areas in Oregon.

vi. Addresses of all facilities owned or operated using [HCMO-1c: Facilities and Locations form]

Headspace and HMG MI PLLC do not have physical locations in Oregon. Headspace's corporate headquarters are located at 595 Market Street, 7th Floor, San Francisco, CA 94105.

vii. Annual number of people served in Oregon, for all business, not just business related to transaction

In fiscal year 2025, Headspace provided services to 310 members in Oregon receiving coaching services, and 225 members in Oregon receiving clinical therapy or psychiatry services.

viii. Annual number of services provided in Oregon

Headspace provided 2,430 therapy sessions and 208 psychiatry sessions to Oregon patients in 2025.

ix. For hospitals, number of licensed beds

N/A

11. Describe Party B.

See responses below.

a. Describe Party B's business, including business lines or segments

Founded in 2015, Sword and the Sword Practices (as hereinafter defined) deliver technology-powered care across musculoskeletal, women's, cardiometabolic, and mental health. Sword's healthcare services are delivered by Doctors of Physical Therapy ("DPTs"), registered dieticians, and behavioral health specialists, supported by proprietary technology and FDA-listed medical devices.

b. Describe Party B's governance and operational structure (including ownership of or by a health care entity)

Sword is a Delaware corporation privately held by its shareholders, which include investors, founders, and employee stockholders, and governed by a board of directors.

Sword's wholly-owned subsidiary, Sword Health, operates as an MSO. The affiliated, clinician-owned professional associations are incorporated in Florida: Sword Health Care Providers, P.A., which provides telehealth physical therapy (and maintains state-specific subsidiaries: Sword Health Care Providers of CA, P.C. and Sword Health Care Providers of NJ, P.C.) and Sword Mind Care Providers, P.A., a telehealth psychology practice registered to operate in Oregon. These Sword-affiliated professional practices ("Sword Practices") are owned exclusively by licensed clinicians rather than Sword or other corporate bodies. Both entities provide clinical care for Sword clients under a management services agreement, and neither maintains ownership links with external healthcare organizations.

Sword

- Board of Directors:
  - Virgílio Antonio Ferro Bento
  - Márcio Filipe Moutinho Colunas
  - Bruce Armstrong
  - Karin Ajmani
  - Todd Cozzens
  - Chris Bischoff
  - Ann Gallo

Sword Health

- Board of Directors:
  - Virgílio Antonio Ferro Bento
- Officers
  - Virgílio Antonio Ferro Bento (CEO and President)
  - Luís Filipe Jesus Vieira Pereira (CFO)
  - Elizabeth Stevens (CLO)
  - Sarah Hamid (Privacy Officer)

Sword Mind Care Providers, P.A.

- Board of Directors:
  - Laura Melton
- Officers:
  - Laura Melton (President, Secretary, Treasurer)

c. Provide a diagram or chart showing the organizational structural and relationships between business entities.

   See Appendix 10c.

d. List all of Party B's business entities currently licensed to operate in Oregon using HCMO-1b: Business Entities form. Provide the business name, assumed business name, business structure, date of incorporation, jurisdiction, principal place of business, and FEIN for each entity.

   See HCMO-1b Business Entities form.

e. Provide financial statements for the most recent three fiscal years. If Party B operates outside of Oregon, provide financial statements both for Party B nationally and for Party B's Oregon business.

   See Appendix 11e.

f. Describe and identify Party B's health care business. Provide responses to i-ix as applicable.

   i. Provider type (hospital, physician group, etc.)

      MSO

   ii. Service lines, both overall and in Oregon

      Sword has several service lines including:

      - Musculoskeletal Care managed by DPTs, including acute, chronic, post-surgical, and prevention-focused care.
      - Women's health managed by specialists (DPTs specializing in pelvic health, and, starting mid-2026, nurses providing holistic women's health support).
      - Cardiometabolic conditions, integrating exercise, nutrition and lifestyle interventions, all managed by health specialists trained as DPTs, as well as nurses and registered dieticians for comprehensive care services starting in 2026.
      - Mental health care combining licensed Ph.D level psychologists and technology.

   iii. Products and services, both overall and in Oregon

      See above.

   iv. Number of staff and FTE, both overall and in Oregon

      Oregon employee count:

- Sword Health, Inc.: 2 employees, with 2 full-time employees
- Sword Health Care Providers of New Jersey, P.C.: No employees
- Sword Health Care Physical Therapy Providers of CA, P.C.: No employees

- Sword Health Care Providers, P.A.: 4 employees, with 4 full-time employees
- Sword Mind Care Providers, P.A.: No employees
- Kaia Health Software Inc.: No employees

Nationwide employee count:

- Sword Health, Inc.: 203 employees, with 202 full-time employees
- Sword Health Care Providers of New Jersey, P.C.: 20 employees, with 15 full-time employees
- Sword Health Care Physical Therapy Providers of CA, P.C.: 17 employees, with 10 full-time employees
- Sword Health Care Providers, P.A.: 372 employees, with 236 full-time employees
- Sword Mind Care Providers, P.A.: 2 employees, with 2 full-time employees
- Kaia Health Software Inc.: 10 employees, with 10 full-time employees

v. Geographic areas served, both overall and in Oregon

The Sword Practices provide telehealth services nationwide, including all geographic areas in Oregon.

vi. Addresses of all facilities owned or operated using HCMO-1c: Facilities and Locations form

Sword has no physical locations in Oregon. Sword's offices in the United States include:

- 169 Madison Ave, Ste 15501, New York, NY 10016
- 615 Gladiola St, Salt Lake City, UT 84104 (warehouse facility for medical devices)

vii. Annual number people served in Oregon, for all business, not just business related to transaction

In fiscal year 2025, Sword provided services to 4891 members residing in Oregon. Sword uses the term "members" interchangeably with "patients," as Sword's services are paid for by payors and the individuals Sword is serving are the payor's "members." The term "members" is synonymous with the 4,891 patients referenced in 11f.viii.

See Appendix to HCMO-1 for patients served by Sword's lines of services for 2023, 2024, and 2025.

viii. Annual number of services provided in Oregon

In fiscal year 2025, Sword provided 87,424 sessions to Oregon patients. See Appendix to HCMO-1 for services provided by Sword's lines of services for 2023, 2024, and 2025.

ix. For hospitals, number of licensed beds

N/A

For any additional Parties, please provide a supplemental attachment describing the information requested in Section 11 (a) – (f).

12. Describe all mergers, acquisitions, and joint ventures that closed in the ten (10) years prior to filing this notice of material change transaction involving any entities party to the current proposed transaction, the same or related services, and health care entities. For each previous transaction, include:

    a. Legal names of all entities party to the transaction

    b. Type of transaction

    c. Description of the transaction

    d. Date the transaction closed

Headspace

- On September 4, 2018, Headspace, and Voice Labs, Inc., a Delaware corporation ("Alpine.AI"), entered into an Asset Purchase Agreement, pursuant to which Headspace purchased certain of the assets of Alpline.AI in exchange for cash. The closing date of the transaction was September 4, 2018.

- On March 7, 2025, Headspace and Human Dev, Inc., a Delaware corporation ("Supertalk"), entered into an Asset Purchase Agreement, pursuant to which Headspace purchased certain of the assets of Supertalk in exchange for cash. The closing date of the transaction was March 7, 2025.

Sword

Sword has been party to the following transaction agreements in the past 10 years (none of which are related to mental health):

- Stock Purchase Agreement by and among kaia health software GmbH, all of its stockholders, Sword Health Technologies, Inc., and Shareholder Representative Services LLC, dated November 7, 2025;
- Agreement for the Purchase and Sale of a Business Unit between Bright Algorithm Technologies, S.A. and Sword Health, S.A., dated January 17, 2022;
- Asset Purchase Agreement by and between VIT Initiative, Inc. and Sword Health Technologies, Inc., dated September, 2021, as amended; and

- See Appendix to HCMO-1 for additional transaction agreement.

OrangeDot

- On August 24, 2021, OrangeDot, Spice Merger Sub, Inc., a Delaware corporation ("Merger Sub"), and Ginger.io, Inc., a Delaware corporation ("Ginger"), entered into an Agreement and Plan of Merger, pursuant to which OrangeDot acquired Ginger through the merger of Merger Sub with and into Ginger. Ginger's stockholders were given stock in OrangeDot in exchange for their stock in Ginger. The closing date of the transaction was October 5, 2021.

- On December 24, 2021, OrangeDot, Sierra Merger Acquisition Corporation, a Delaware corporation ("Merger Sub I"), Sierra Merger Acquisition LLC, a Delaware limited liability company ("Merger Sub II"), Sayana, Inc., a Delaware corporation ("Sayana"), and Sergey Fayfer, an individual, entered into an Agreement and Plan or Reorganization, pursuant to which OrangeDot acquired Sayana by the merger of Merger Sub I with and into Sayana (the resulting corporation, the "Surviving Corporation"), followed by the merger of the Surviving Corporation with and into Merger Sub II. Sayana's stockholders were given cash and stock in OrangeDot in exchange for their stock in Sayana. The closing date of the transaction was January 7, 2022.

- On September 1, 2022, OrangeDot and Shine, Inc., a Delaware corporation ("Shine"), entered into an Asset Purchase Agreement, pursuant to which OrangeDot purchased certain of the assets of Shine in exchange for cash. The closing date of the transaction was September 1, 2022.

13. Describe any anticipated changes resulting from the proposed material change transaction, including:

    a. Operational structure

        i. Provide a chart or diagram showing the pre- and post-transaction organizational structure and relationships between entities.

        See attached Appendix 10c.

    b. Corporate governance and management

    Sword anticipates reducing its corporate staff to create efficiencies where redundancies exist between the two organizations after being combined.

    Over time, Sword aims to introduce outcomes-based pricing – a model currently used by Sword – to Headspace's enterprise customers and payors who pay for professional services furnished by HMG and agree to the change. Under this model, Sword Practices receive full payment only when members achieve clinically significant improvement. Sword is one of the few digital health companies that gets paid on the delivery of clinical outcomes (i.e., versus fee for service or per-member fees — regardless of whether members actually get better).

    Headspace will become a wholly-owned subsidiary of Sword and subject to Sword's corporate governance and management.

    c. Investments or initiatives

    No anticipated changes.

    d. Type and level of staffing

    Sword anticipates changes to corporate staffing where there is redundancy but does not anticipate any change to the provision of services in any state.

e. Type and level of services provided

Sword intends to improve the technology used to deliver mental health services.

f. Number and type of locations

Sword plans to make changes to the location of the corporate offices of Headspace for efficiency but anticipates no impact on the provision of services in any state.

g. Geographic areas served

No anticipated changes.

h. For providers, payer contracts and payer mix

No anticipated changes, subject to payer consent under any contractual change of control provisions and continued growth.

i. For insurance carriers, provider contracts and networks

N/A

j. Other contractual arrangements, including contracts with suppliers, partners, ancillary service providers, PBMs, or management services organizations

No anticipated changes.

V. Impacts from the proposed material change transaction

14. Describe how the proposed material change transaction will impact the public and people served by the entities in Oregon.

Sword's goal is to support delivery of mental health services in materially the same way as Headspace and HMG are currently delivering services, while offering improvements in technology for the benefit of the ultimate patient and overall ecosystem as well as improved outcomes-based payment that aligns payment with patient outcome.

a. If there are any anticipated negative effects, describe how the entities will seek to mitigate negative impacts.

The parties do not anticipate that the Proposed Transaction will result in negative effects on patients, providers, employees, or the communities served in Oregon, nor does Sword intend to make any material changes to the business's service lines or other material aspects of the services provided following closing.

15. Explain how the proposed material change transaction will:

a. Impact health outcomes for people in Oregon. Provide applicable data, metrics, or documentation to support your statements.

The parties do not anticipate a material change in health outcomes; rather, the parties view is that the Proposed Transaction will likely increase the availability of digital-based mental health services in Oregon.

b. Benefit the public good by reducing the growth in health care costs. Provide applicable data, metrics, or documentation to support your statements.

The parties believe that the Proposed Transaction will result in real return on investment for payors (including employers) while patients receive the appropriate care they need. See attached clinical studies for other Sword services that support our perspective.

<u>Appendix 15a</u> – Costa, F. et al. Impacts of Digital Care Programs (2022): The study is not specific to mental health but it is specific to how Sword delivers care.

<u>Appendix 15a</u> – Pereira, A.P. et al. Breaking Barriers in Women's Pelvic Health (2026): Illustrates cost savings for Sword's women's health products.

c. Benefit the public good by increasing access to services for medically underserved populations. Provide applicable data, metrics, or documentation to support your statements.

Sword expects to support continuity of care and increase the availability of digital mental health services currently available to patients in Oregon. These services are particularly important for individuals in rural and underserved communities, where access to in-person behavioral health providers may be limited. The parties expect the Proposed Transaction to continue facilitating timely access to behavioral health services for patients who may otherwise face geographic, transportation, provider-shortage, or scheduling barriers to care.

d. Benefit the public good by rectifying historical and contemporary factors contributing to health inequities or access to services. Provide applicable data, metrics, or documentation to support your statements.

Sword and the Sword Practices help address disparities in access to care by providing patients with the flexibility to engage in treatment at times and in locations that are convenient for them, rather than being limited to traditional office hours. Additionally, because access is remote, patients in rural or underserved areas can receive care without the burden of travel or long wait times for appointments.

Further, patients are not restricted by a predetermined number of therapy sessions, given that Sword's current model is based on outcomes rather than a per-session payment structure. This approach will help expand access to mental health services for individuals who may otherwise face barriers to receiving timely treatment.

<u>Appendix 15d</u> – Scheer, J. et al. Racial and Ethnic Differences in Outcomes of a 12-Week Rehabilitation Program (2022)

e. If the transaction will not benefit the public good as described in b-d, explain why this proposed material change transaction is in the best interest of the public.

Not applicable.

16. Describe any competitive effects that may result from the proposed material change transaction.

    The parties do not anticipate any anti-competitive effects will result from the Proposed Transaction.

    a. Will the proposed material change transaction result in a decrease in competition?

       No, there should not be a decrease in competition as neither Headspace nor Sword, nor their respective clinical affiliates, currently compete meaningfully in providing telehealth mental health services.

       Headspace has not viewed Sword as a competitor in telemental health. Sword's revenue is predominantly from musculoskeletal care. Sword's "Mind" offering, introduced in 2025, is still in its early adoption phase as evidenced by the breakdown of patients served (*see* response to 11f.vii and viii).

       By contrast, Headspace's core business is the direct provision of mental health services, which spans mindfulness content, coaching, and licensed clinician-delivered therapy and psychiatry. Given these differences in product design, Headspace has not considered Sword a meaningful telemental health competitor.

       A combination of Sword and Headspace will expand the availability of mental health services to reach new patient populations. Sword's technological capabilities will facilitate greater access to care and lower costs.

       i. If yes, describe any anticompetitive effects that will result from the proposed transaction.

          N/A, see response above.

       ii. If yes, describe any plans to mitigate potential anticompetitive effects, including any divestiture plans.

           N/A, see response above.

    b. Provide applicable data, metrics, or documentation to support your statements.

       None.

17. Describe the proposed material change transaction's impact on the financial stability of any entity involved in the transaction.

    The Proposed Transaction is expected to strengthen the financial stability of the combined Sword and Headspace enterprise by creating a larger, more diversified company with broader service offerings through its clinical affiliates.

    As described above, Headspace will become a wholly-owned subsidiary of Sword, a well-capitalized digital health company, which is expected to provide the resources necessary to support Headspace's (and its clinical affiliates') ongoing operations and growth.

VI. Supplemental materials

Submit the following materials, if applicable, with your submission. Apply Bates numbering to all confidential documents submitted with the Notice and include the applicable Bates number sequence on all redaction logs.

☒ HCMO-1a: NPI form (required for health care provider entities)

☒ HCMO-1b: Business Entities form (required parties with multiple business entities licensed to operate in Oregon)

☐ HCMO-1c: Facilities and Locations form

☒ Pre- and post-transaction organizational structure diagram

☒ Copies of all current agreements or term sheets for the proposed transaction

☒ Financial statements for all entities for the most recent three fiscal years

☒ Copies of current governance documents for all entities (for examples, bylaws, articles of incorporation, corporate charter, etc.)

☒ Documentation or analytic support for your responses, as applicable

☒ Redaction log

VII. Certification

I, the undersigned, being first duly sworn, do say:

1. I have read ORS 415.500 et seq. and OARs 409-070-0000 to 409-070-0085.
2. I have read this Notice of Material Change Transaction and the information contained therein is accurate and true.

Signed on the 25th day of ~~July~~ August, 2026.

PL

Patrick Lytle

State of Texas. County of Harris

SUBSCRIBED AND SWORN TO before me, this 25th day of ~~July~~ August, 2026.

Patrick Lytle

TH

Tabatha Halsell

Tabatha Halsell
ID NUMBER
132849934
COMMISSION EXPIRES
January 5, 2029

NOTARY PUBLIC
STATE OF TEXAS

Tabatha Halsell

Notary Public in and for Texas

Tabatha Halsell — Notary Public, State of Texas

Electronically signed and notarized online using the Proof platform.

My Commission Expires: 01/05/2029