

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2025**

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from  
to

Commission File Number: **001-37477**

**TELADOC HEALTH, INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State of incorporation)

**04-3705970**

(I.R.S. Employer Identification No.)

**155 E 44th Street, Floor 17**

**New York, New York**

(Address of principal executive office)

**10017**

(Zip code)

**(203) 635-2002**

(Registrant's telephone number including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	TDOC	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company   
Emerging growth company

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 23, 2025, the Registrant had 176,690,662 shares of Common Stock outstanding.

**TELADOC HEALTH, INC.**  
**QUARTERLY REPORT ON FORM 10-Q**  
**For the period ended June 30, 2025**

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**PART I**  
**FINANCIAL INFORMATION**

**ITEM 1. Financial Statements**

**TELADOC HEALTH, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(In thousands, except share data, unaudited)**

	June 30, 2025	December 31, 2024
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 679,621	\$ 1,298,327
Accounts receivable, net of allowance for doubtful accounts of \$4,914 and \$5,134 at June 30, 2025 and December 31, 2024, respectively	225,431	214,146
Inventories	38,159	38,138
Prepaid expenses and other current assets	130,059	113,296
<b>Total current assets</b>	<b>1,073,270</b>	<b>1,663,907</b>
Property and equipment, net	27,667	29,487
Goodwill	283,190	283,190
Intangible assets, net	1,383,306	1,431,360
Operating lease—right-of-use assets	25,501	27,092
Other assets	101,070	81,488
<b>Total assets</b>	<b>\$ 2,894,004</b>	<b>\$ 3,516,524</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 54,434	\$ 33,130
Accrued expenses and other current liabilities	202,304	202,157
Accrued compensation	70,332	76,229
Deferred revenue—current	74,697	79,296
Convertible senior notes, net—current	—	550,723
<b>Total current liabilities</b>	<b>401,767</b>	<b>941,535</b>
Other liabilities	4,245	720
Operating lease liabilities, net of current portion	32,047	32,135
Deferred revenue, net of current portion	10,694	9,786
Deferred taxes, net	29,947	49,851
Convertible senior notes, net—non-current	993,165	991,418
<b>Total liabilities</b>	<b>1,471,865</b>	<b>2,025,445</b>
<b>Commitments and contingencies (Note 15)</b>		
<b>Stockholders' equity:</b>		
Common stock, \$0.001 par value; 300,000,000 shares authorized; 176,608,056 shares and 173,405,016 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	177	173
Additional paid-in capital	17,812,932	17,759,194
Accumulated deficit	(16,355,572)	(16,229,900)
Accumulated other comprehensive loss	(35,398)	(38,388)
<b>Total stockholders' equity</b>	<b>1,422,139</b>	<b>1,491,079</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,894,004</b>	<b>\$ 3,516,524</b>

See accompanying notes to unaudited condensed consolidated financial statements.

**TELADOC HEALTH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS**  
(In thousands, except share and per share data, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue</b>	\$ 631,900	\$ 642,444	\$ 1,261,269	\$ 1,288,575
<b>Costs and expenses:</b>				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	190,537	188,059	387,366	382,597
Advertising and marketing	167,547	170,270	335,732	353,599
Sales	49,951	50,438	98,644	104,802
Technology and development	68,784	76,751	138,742	158,139
General and administrative	108,114	109,552	220,888	221,249
Goodwill impairment	—	790,000	59,138	790,000
Acquisition, integration, and transformation costs	2,658	457	4,846	830
Restructuring costs	5,692	1,500	10,039	11,173
Amortization of intangible assets	88,664	94,862	172,968	189,919
Depreciation of property and equipment	4,338	1,703	7,902	4,537
<b>Total costs and expenses</b>	<b>686,285</b>	<b>1,483,592</b>	<b>1,436,265</b>	<b>2,216,845</b>
<b>Loss from operations</b>	<b>(54,385)</b>	<b>(841,148)</b>	<b>(174,996)</b>	<b>(928,270)</b>
Interest income	(10,064)	(13,572)	(22,738)	(27,514)
Interest expense	4,473	5,648	10,238	11,297
Other expense (income), net	(8,371)	563	(10,806)	933
<b>Loss before provision for income taxes</b>	<b>(40,423)</b>	<b>(833,787)</b>	<b>(151,690)</b>	<b>(912,986)</b>
Provision for income taxes	(7,763)	3,884	(26,018)	6,574
<b>Net loss</b>	<b>(32,660)</b>	<b>(837,671)</b>	<b>(125,672)</b>	<b>(919,560)</b>
Other comprehensive loss, net of tax:				
Currency translation adjustment	1,847	(337)	2,990	(1,976)
<b>Comprehensive loss</b>	<b>\$ (30,813)</b>	<b>\$ (838,008)</b>	<b>\$ (122,682)</b>	<b>\$ (921,536)</b>
Net loss per share, basic and diluted	\$ (0.19)	\$ (4.92)	\$ (0.72)	\$ (5.44)
Weighted-average shares used to compute basic and diluted net loss per share	175,917,380	170,229,583	175,040,625	168,980,165

See accompanying notes to unaudited condensed consolidated financial statements.

**TELADOC HEALTH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(In thousands, except share data, unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Gain (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance as of March 31, 2025	175,340,325	\$ 175	\$ 17,787,012	\$ (16,322,912)	\$ (37,245)	\$ 1,427,030
Exercise of stock options	152	—	1	—	—	1
Issuance of common stock upon vesting of restricted stock units	989,648	1	(1)	—	—	—
Issuance of stock under employee stock purchase plan	277,931	1	1,672	—	—	1,673
Stock-based compensation	—	—	24,248	—	—	24,248
Other comprehensive income, net of tax	—	—	—	—	1,847	1,847
Net loss	—	—	—	(32,660)	—	(32,660)
Balance as of June 30, 2025	176,608,056	\$ 177	\$ 17,812,932	\$ (16,355,572)	\$ (35,398)	\$ 1,422,139
Balance as of December 31, 2024	173,405,016	\$ 173	\$ 17,759,194	\$ (16,229,900)	\$ (38,388)	\$ 1,491,079
Exercise of stock options	10,759	—	81	—	—	81
Issuance of common stock upon vesting of restricted stock units	2,914,350	3	(3)	—	—	—
Issuance of stock under employee stock purchase plan	277,931	1	1,672	—	—	1,673
Stock-based compensation	—	—	51,988	—	—	51,988
Other comprehensive income, net of tax	—	—	—	—	2,990	2,990
Net loss	—	—	—	(125,672)	—	(125,672)
Balance as of June 30, 2025	176,608,056	\$ 177	\$ 17,812,932	\$ (16,355,572)	\$ (35,398)	\$ 1,422,139
Balance as of March 31, 2024	169,314,029	\$ 169	\$ 17,637,902	\$ (15,310,544)	\$ (38,629)	\$ 2,288,898
Exercise of stock options	222,941	—	2,546	—	—	2,546
Issuance of common stock upon vesting of restricted stock units	1,283,845	2	(2)	—	—	—
Issuance of stock under employee stock purchase plan	304,068	—	3,153	—	—	3,153
Stock-based compensation	—	—	45,497	—	—	45,497
Other comprehensive loss, net of tax	—	—	—	—	(337)	(337)
Net loss	—	—	—	(837,671)	—	(837,671)
Balances as of June 30, 2024	171,124,883	\$ 171	\$ 17,689,096	\$ (16,148,215)	\$ (38,966)	\$ 1,502,086
Balances as of December 31, 2023	166,658,253	\$ 167	\$ 17,591,551	\$ (15,228,655)	\$ (36,990)	\$ 2,326,073
Exercise of stock options	247,013	—	2,677	—	—	2,677
Issuance of common stock upon vesting of restricted stock units	3,915,549	4	(4)	—	—	—
Issuance of stock under employee stock purchase plan	304,068	—	3,153	—	—	3,153
Stock-based compensation	—	—	91,719	—	—	91,719
Other comprehensive income, net of tax	—	—	—	—	(1,976)	(1,976)
Net loss	—	—	—	(919,560)	—	(919,560)
Balances as of June 30, 2024	171,124,883	\$ 171	\$ 17,689,096	\$ (16,148,215)	\$ (38,966)	\$ 1,502,086

See accompanying notes to unaudited condensed consolidated financial statements.

**TELADOC HEALTH, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(In thousands, unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (125,672)	\$ (919,560)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Goodwill impairment	59,138	790,000
Amortization of intangible assets	172,968	189,919
Depreciation of property and equipment	7,902	4,537
Amortization of right-of-use assets	4,190	4,902
Provision for allowances for doubtful accounts	377	810
Stock-based compensation	47,507	84,432
Deferred income taxes	(34,072)	1,368
Other, net	2,049	2,695
Changes in operating assets and liabilities:		
Accounts receivable	(8,497)	(2,971)
Prepaid expenses and other current assets	(16,434)	(13,017)
Inventory	861	(6,032)
Other assets	7,616	676
Accounts payable	19,278	12,614
Accrued expenses and other current liabilities	(5,149)	154
Accrued compensation	(9,545)	(45,802)
Deferred revenue	(6,084)	(1,638)
Operating lease liabilities	(5,170)	(5,424)
Other liabilities	(3,912)	(60)
Net cash provided by operating activities	107,351	97,603
Cash flows from investing activities:		
Capital expenditures	(3,994)	(3,061)
Capitalized software development costs	(57,824)	(60,199)
Proceeds from the sale of investment	740	—
Acquisition accounted for as a business combination, net of cash acquired	(65,302)	—
Asset acquisition resulting in net intangible assets	(29,569)	—
Payments for investments	(27,075)	—
Other, net	60	—
Net cash used in investing activities	(182,964)	(63,260)
Cash flows from financing activities:		
Proceeds from the exercise of stock options	81	2,677
Proceeds from employee stock purchase plan	1,384	2,798
Repayment of convertible senior notes	(550,629)	—
Other, net	—	81
Net cash (used in) provided by financing activities	(549,164)	5,556
Net (decrease) increase in cash and cash equivalents	(624,777)	39,899
Effect of foreign currency exchange rate changes	6,071	(1,191)
Cash and cash equivalents at beginning of the period	1,298,327	1,123,675
Cash and cash equivalents at end of the period	\$ 679,621	\$ 1,162,383
Cash paid for income taxes, net	\$ 5,661	\$ 4,613
Interest paid	\$ 8,661	\$ 8,662
<b>Supplemental disclosure of non-cash investing activities</b>		
Accruals related to Property and equipment, net and Intangible assets, net	\$ 5,681	\$ 3,099

See accompanying notes to unaudited condensed consolidated financial statements.

TELADOC HEALTH, INC.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**Note 1. Organization and Description of Business**

Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” or the “Company,” and is the global leader in virtual care, focused on forging a new healthcare experience with better convenience, outcomes, and value around the world. The Company’s mission is to empower all people everywhere to live their healthiest lives by transforming the healthcare experience.

The Company was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. In June 2025, the Company relocated its principal executive office from Purchase, New York to New York, New York.

**Note 2. Basis of Presentation and Principles of Consolidation**

The accompanying unaudited condensed consolidated financial statements for the six months ended June 30, 2025 and 2024, in the opinion of management, reflect all adjustments (consisting of normal recurring accruals) necessary for a fair presentation of the Condensed Consolidated Results of Operations, financial position and cash flows of Teladoc Health for the periods presented. However, the financial results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States (“U.S.”) have been omitted or condensed pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”). The information in this report should be read in conjunction with the Company’s Annual Report on Form 10-K filed with the SEC for the fiscal year ended December 31, 2024 (the “2024 Form 10-K”), which includes a complete set of footnote disclosures, including the Company’s significant accounting policies.

These consolidated financial statements include the results of Teladoc Health, as well as three professional associations and 10 professional corporations that comprise the “THMG Association” and five professional corporations that comprise the “Uplift Association.”

Teladoc Health Medical Group, P.A. (“THMG”) is party to a services agreement by and among it and the other professional associations and professional corporations in the THMG Association pursuant to which each professional association and professional corporation provides services to THMG. Each professional association and professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

Uplift Behavioral Health, P.C. (“Uplift PC”) is party to a services agreement by and among it and the other professional corporations in the Uplift Association pursuant to which each professional corporation provides services to Uplift PC. Each professional corporation is established pursuant to the requirements of its respective domestic jurisdiction governing the corporate practice of medicine.

The Company holds a variable interest in the THMG Association and the Uplift Association, which each contract with physicians and other health professionals in order to provide services to Teladoc Health. The THMG Association and the Uplift Association are each considered a variable interest entity (“VIE”) since each does not have sufficient equity to finance their respective activities without additional subordinated financial support. An enterprise having a controlling financial interest in a VIE must consolidate the VIE if it has both power and benefits—that is, it has (1) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance (power) and (2) the obligation to absorb losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE (benefits). The Company has the power and rights to control the activities that most significantly impact the THMG Association and the Uplift Association economic performance and funds and absorbs all losses of the VIE and appropriately consolidates the THMG Association and the Uplift Association.

Total revenue and net loss for the VIEs were \$81.3 million and \$0.4 million and \$64.1 million and \$0.0 million for the three months ended June 30, 2025 and 2024, respectively. Total revenue and net loss for the VIEs were \$161.5

million and \$0.4 million and \$134.1 million and \$0.0 million for the six months ended June 30, 2025 and 2024, respectively. The VIE's total assets, all of which were current, were \$42.0 million and \$29.4 million at June 30, 2025 and December 31, 2024, respectively. The VIE's total liabilities, all of which were current, were \$91.0 million and \$78.0 million at June 30, 2025 and December 31, 2024, respectively. The VIE's total stockholders' deficit was \$49.0 million and \$48.6 million at June 30, 2025 and December 31, 2024, respectively.

All intercompany transactions and balances have been eliminated.

#### ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the condensed consolidated financial statements and accompanying notes. The Company bases its estimates on historical experience, current business and economic factors, and various other assumptions that the Company believes are necessary to form a basis for making judgments about the carrying values of assets and liabilities, the recorded amounts of revenue and expenses, and the disclosure of contingent assets and liabilities. The Company is subject to uncertainties such as the impact of future events, economic and political factors, and changes in the Company's business environment; therefore, actual results could differ from these estimates. Accordingly, the accounting estimates used in the preparation of the Company's condensed consolidated financial statements will change as new events occur, as more experience is acquired, as additional information is obtained and as the Company's operating environment evolves. The Company believes that estimates used in the preparation of these condensed consolidated financial statements are reasonable; however, actual results could differ materially from these estimates.

Changes in estimates are made when circumstances warrant. Such changes in estimates and refinements in estimation methodologies are reflected in the Condensed Consolidated Statements of Operations; if material, the effects of changes in estimates are disclosed in the Notes to Unaudited Condensed Consolidated Financial Statements.

Significant estimates and assumptions by management affect areas including the value and useful life of long-lived assets (including intangible assets), the capitalization and amortization of software development costs, allowances for sales, and the accounting for business combinations. Other significant areas include revenue recognition (including performance guarantees), the accounting for income taxes, contingencies (including earnouts), litigation and related legal accruals, the accounting for stock-based compensation awards, the probability assessment of satisfying vesting conditions for certain investments, and other items as described in Note 2. "Basis of Presentation and Principles of Consolidation" in the Summary of Significant Accounting Policies in the 2024 Form 10-K and as may be updated in this Quarterly Report in Note 2. "Basis of Presentation and Principles of Consolidation."

#### ***Fair Value Measurements***

The carrying value of the Company's cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximates fair value due to their short-term nature.

A financial instrument's classification within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Three levels of inputs may be used to measure fair value:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs that are supported by little or no market activity.

The Company measures its cash equivalents at fair value on a recurring basis. The Company classifies its cash equivalents within Level 1 because they are valued using observable inputs that reflect quoted prices for identical assets in active markets and quoted prices directly in active markets.

#### ***Reclassifications***

Certain prior year amounts have been reclassified to conform to the current year presentation.

### ***Recently Issued Accounting Standards***

In December 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-09, "Income Taxes (Topic 740): Improvement to Income Tax Disclosures" to enhance the transparency and decision usefulness of income tax disclosures through expansion of disclosures in an entity's income tax rate reconciliation table and regarding cash taxes paid both in the U.S. and foreign jurisdictions. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 on a prospective basis with early adoption permitted. The Company is currently evaluating the impact of this accounting standard update on its financial disclosures.

In November 2024, the FASB issued ASU No. 2024-03, "Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses." ASU 2024-03 requires a public business entity ("PBE") to disclose information in the notes to financial statements about purchases of inventory, employee compensation, depreciation, intangible asset amortization, and depletion for each income statement line item that contains those expenses. Entities would also have to disclose other specific expenses, gains, or losses that are already required to be disclosed under GAAP in this same disclosure, a qualitative description of the amounts remaining that are not separately disaggregated quantitatively, and the total amount of selling expenses, as well as the PBE's definition of selling expenses. In January 2025, the FASB Issued ASU No. 2025-01, "Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40)," which clarified that ASU 2024-03 is effective for public business entities for annual reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. Implementation of ASU 2024-03 may be applied prospectively or retrospectively. The application of this new guidance is not expected to have a material impact on the Company's financial statements, as the guidance pertains only to disclosures.

In May 2025, the FASB issued ASU No. 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity," which clarifies current guidance for determining the accounting acquirer for a transaction effected primarily by exchanging equity interests in which the legal acquiree is a variable interest entity that meets the definition of a business. ASU 2025-03 is effective for annual reporting periods beginning after December 15, 2026, including interim reporting periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements.

In May 2025, the FASB issued ASU No. 2025-04, "Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer." This new standard clarifies the accounting for share-based consideration payable to a customer under ASC 718 and ASC 606. Key changes include expanding the "performance condition" definition, requiring an estimate of forfeitures, and clarifying the measurement guidance. ASU 2025-04 is effective for annual periods beginning after December 15, 2026, with early adoption permitted. The Company is currently evaluating the impact of adopting this new guidance on its financial statements.

### **Note 3. Revenue, Deferred Revenue, and Deferred Device and Contract Costs**

The Company generates access fees from customers, which primarily consist of employers, health plans, hospitals and health systems, insurance and financial services companies (collectively "Clients"), as well as individual paying users, accessing the THMG Association professional provider network, Uplift Association professional provider network, and the Company's therapy and other wellness platforms, hosted virtual healthcare platform, and chronic care management platforms. Visit fee revenue is generated for general medical, expert medical service, virtual therapy, and other specialty visits, and is reported as a component of other revenue. Revenue associated with virtual healthcare device equipment sales included with the Company's hosted virtual healthcare platform is also reported in other revenue.

The following table presents the Company's revenues disaggregated by revenue source and geography (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Revenue by Type</b>				
Access Fees	\$ 523,703	\$ 559,648	\$ 1,049,439	\$ 1,116,822
Other	108,197	82,796	211,830	171,753
Total Revenue	<u>\$ 631,900</u>	<u>\$ 642,444</u>	<u>\$ 1,261,269</u>	<u>\$ 1,288,575</u>
<b>Revenue by Geography</b>				
U.S. Revenue	\$ 519,689	\$ 540,802	\$ 1,044,659	\$ 1,088,402
International Revenue	112,211	101,642	216,610	200,173
Total Revenue	<u>\$ 631,900</u>	<u>\$ 642,444</u>	<u>\$ 1,261,269</u>	<u>\$ 1,288,575</u>

### *Deferred Revenue*

Deferred revenue represents billed, but unrecognized revenue, and is comprised of fees received in advance of the delivery or completion of the services and amounts received in instances when revenue recognition criteria have not been met. The Company records deferred revenue when cash payments are received in advance of the Company's performance obligation to provide services. Deferred revenue is derived from 1) upfront payments for a device, which is amortized ratably over the expected member enrollment period; 2) upfront payments for certain services where payment is required for future periods before the service is delivered to the member, which is recognized when the services are provided; and 3) upfront payments from third-party financing companies with whom the Company works to provide certain Clients with a rental option, which is recognized over the rental period. Deferred revenue that will be recognized during the next twelve-month period is recorded as current deferred revenue and the remaining portion is recorded as non-current deferred revenue.

The following table summarizes deferred revenue activities for the periods presented (in thousands):

	Six Months Ended June 30,	
	2025	2024
Beginning balance	\$ 89,082	\$ 109,282
Balances assumed as part of business acquisitions	890	—
Cash collected	67,663	66,593
Revenue recognized	(72,244)	(68,698)
Ending balance	<u>\$ 85,391</u>	<u>\$ 107,177</u>

The Company expects to recognize \$56.3 million of revenue throughout the remainder of 2025, \$20.2 million of revenue in the year ending December 31, 2026, and the remaining balance thereafter related to future performance obligations that are unsatisfied or partially unsatisfied as of June 30, 2025.

### Deferred Device and Contract Costs

Deferred device and contract costs are classified as a component of prepaid expenses and other current assets or other assets, depending on term, and consisted of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
Deferred device and contract costs, current	\$ 34,063	\$ 33,188
Deferred device and contract costs, non-current	16,092	17,057
Total deferred device and contract costs	<u>\$ 50,155</u>	<u>\$ 50,245</u>

Deferred device and contract costs were as follows (in thousands):

	Deferred Device and Contract Costs
Beginning balance as of December 31, 2024	\$ 50,245
Additions	22,882
Cost of revenue recognized	(22,972)
Ending balance as of June 30, 2025	<u>\$ 50,155</u>

### Note 4. Inventories

Inventories consisted of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
Raw materials and purchased parts	\$ 11,704	\$ 14,459
Work in process	640	600
Finished goods	25,815	23,079
Total inventories	<u>\$ 38,159</u>	<u>\$ 38,138</u>

### Note 5. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
Prepaid expenses	\$ 85,589	\$ 67,471
Deferred device and contract costs, current	34,063	33,188
Other receivables	8,574	9,809
Other current assets	1,833	2,828
Total prepaid expenses and other current assets	<u>\$ 130,059</u>	<u>\$ 113,296</u>

### Note 6. Acquisitions

#### Asset Acquisition

On April 30, 2025, Teladoc Health acquired Uplift Health Technologies, Inc. (“Uplift”) by paying \$29.6 million in cash. The Company may pay up to an additional \$15.0 million during the year ending December 31, 2026 based on the

achievement of certain specified targets. This transaction was accounted for as an asset acquisition since the acquired intangible assets, disclosed in client and other relationships, represented substantially all of the gross assets acquired. All revenue and expense recognized following the acquisition date related to Uplift are included as a component of the Company's BetterHelp reporting segment.

### **Business Combination**

On February 28, 2025, Teladoc Health acquired full ownership of Catapult Health, LLC ("Catapult Health"). Including the final closing adjustments, the Company paid \$65.3 million, which is net of \$0.1 million of cash acquired. Additionally, the Company has accrued \$3.8 million for contingent consideration, which reflects the acquisition date fair value of potential future payments that are contingent upon the achievement of certain specified targets. The acquisition of Catapult Health was accounted for as a business combination, applying the concepts set forth under ASC Subtopic 805-10, "Business Combinations." Catapult Health is included as a component of the Company's Integrated Care reporting segment.

The purchase price allocations for the Catapult Health acquisition includes \$12.7 million for identifiable intangible assets and \$59.1 million for goodwill. The Company's estimate is that approximately 73.0% of the goodwill is tax deductible.

Concurrent with the closing of the acquisition of Catapult Health, in the three months ended March 31, 2025, the Company recorded a full impairment of the \$59.1 million of acquired goodwill because the Integrated Care reporting unit's fair value at the time of acquisition was less than its carrying value. See Note 7. "Goodwill" for further information.

### **Other Investments**

Investments in equity securities may be accounted for using (i) the fair value option if elected, (ii) fair value through earnings if fair value is readily determinable or (iii) for equity investments without readily determinable fair values, the measurement alternative to measure at cost adjusted for any impairment and observable price changes, as applicable. The election to use the measurement alternative is made for each eligible investment.

In the three months ended March 31, 2025, Teladoc Health paid \$27.0 million to acquire shares of common and preferred stock in a private company. In addition, the Company received warrants subject to certain vesting conditions that would allow for the purchase of additional preferred stock of the private company. This investment is included in "Other assets" in the Company's Condensed Consolidated Balance Sheet as of June 30, 2025.

### **Note 7. Goodwill**

Goodwill consisted of the following (in thousands):

	Integrated Care	BetterHelp	Total
Balance as of December 31, 2024	\$ —	\$ 283,190	\$ 283,190
Addition associated with business combination	59,138	—	59,138
Impairment	(59,138)	—	(59,138)
Balance as of June 30, 2025	\$ —	\$ 283,190	\$ 283,190

Concurrent with the closing of its acquisition of Catapult Health, the Company performed a goodwill impairment test on its Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, the Company recognized an immediate impairment of \$59.1 million of goodwill associated with the Catapult Health acquisition in the three months ended March 31, 2025. As the carrying value of the Integrated Care reporting unit continues to exceed its fair value, any future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

Goodwill is net of accumulated impairment charges of \$14.2 billion, of which \$12.3 billion was recognized prior to the Company reorganizing its reporting structure to include two reportable segments, \$1.1 billion was associated with goodwill assigned to the Integrated Care segment, and \$0.8 billion was associated with goodwill assigned to the BetterHelp segment. If the Company experiences sustained significant decreases in its share price, this may result in the need to

perform impairment assessments of goodwill and long-lived assets including definite-lived intangibles that could result in future impairments.

#### Note 8. Intangible Assets, Net and Certain Cloud Computing Costs

Intangible assets, net consisted of the following (dollars in thousands):

	Useful Life	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life (Years)
<b>June 30, 2025</b>					
Client and other relationships	2 to 20 years	\$ 1,515,919	\$ (553,147)	\$ 962,772	10.9
Trademarks	2 to 15 years	330,324	(271,208)	59,116	5.2
Software	3 to 5 years	644,057	(383,695)	260,362	2.0
Acquired technology	4 to 7 years	341,860	(240,804)	101,056	2.3
Intangible assets, net		<u>\$ 2,832,160</u>	<u>\$ (1,448,854)</u>	<u>\$ 1,383,306</u>	8.4
<b>December 31, 2024</b>					
Client relationships	2 to 20 years	\$ 1,453,811	\$ (490,426)	\$ 963,385	11.6
Trademarks	2 to 15 years	324,229	(263,671)	60,558	5.8
Software	3 to 5 years	575,106	(293,588)	281,518	2.1
Acquired technology	4 to 7 years	341,563	(215,664)	125,899	2.8
Intangible assets, net		<u>\$ 2,694,709</u>	<u>\$ (1,263,349)</u>	<u>\$ 1,431,360</u>	8.7

The following table presents the Company's amortization of intangible assets expense by component (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Amortization of acquired intangibles	\$ 44,372	\$ 64,102	\$ 86,783	\$ 128,283
Amortization of capitalized software development costs	44,292	30,760	86,185	61,636
Amortization of intangible assets	<u>\$ 88,664</u>	<u>\$ 94,862</u>	<u>\$ 172,968</u>	<u>\$ 189,919</u>

Periodic amortization of intangible assets that will be charged to expense over the remaining life of the intangible assets as of June 30, 2025 was as follows (in thousands):

Years Ending December 31,	
2025	\$ 167,792
2026	288,550
2027	216,672
2028	121,973
2029 and thereafter	588,319
	<u>\$ 1,383,306</u>

Net cloud computing costs, which are primarily related to the implementation of the Company's customer relationship management ("CRM") and enterprise resource planning ("ERP") systems, are recorded in "Other assets" in the Company's Condensed Consolidated Balance Sheets. As of June 30, 2025 and December 31, 2024, the cloud computing costs were \$44.4 million and \$44.8 million, respectively. The associated expense for cloud computing costs, which is recorded in general and administration expense, was \$1.9 million and \$1.2 million for the three months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025 and 2024, the associated expense for cloud

computing costs was \$3.8 million and \$2.4 million, respectively. The capitalized cloud computing implementation costs are amortized over the shorter of the term of the related cloud computing arrangement or the period of benefit from the right to access the hosted software. The amortization period will be periodically reassessed to determine if it continues to be reasonable.

#### Note 9. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
Marketing and advertising	\$ 38,099	\$ 44,057
Franchise, sales and other taxes	36,582	28,112
Client performance guarantees and accrued rebates	30,604	36,865
Consulting fees/provider fees	16,807	18,974
Information technology	11,295	10,147
Professional fees	10,268	9,358
Operating lease liabilities—current	9,880	10,337
Insurance	7,860	7,653
Lease abandonment obligation—current	4,931	5,036
Staff augmentation	3,883	2,708
Interest payable	1,081	1,483
Other	31,014	27,427
<b>Total</b>	<b>\$ 202,304</b>	<b>\$ 202,157</b>

#### Note 10. Convertible Senior Notes

At December 31, 2024, the Company had three series of convertible senior notes outstanding. The issuances of such notes originally consisted of (i) \$1.0 billion aggregate principal amount of 1.25% convertible senior notes due 2027 (the “2027 Notes”), issued on May 19, 2020 for net proceeds to the Company of \$975.9 million after deducting offering costs of approximately \$24.1 million, (ii) \$287.5 million aggregate principal amount of 1.375% convertible senior notes due 2025 (the “2025 Notes”), issued on May 8, 2018 for net proceeds to the Company of \$279.1 million after deducting offering costs of approximately \$8.4 million, and (iii) \$550.0 million aggregate principal amount of 0.875% convertible senior notes due 2025 that were issued by Livongo Health, Inc. (“Livongo”) on June 4, 2020 for which the Company agreed to assume all of Livongo’s rights and obligations (the “Livongo Notes” and together with the 2027 Notes and the 2025 Notes, the “Notes”).

On the May 15, 2025 maturity date, the Company paid \$0.6 million to settle the outstanding principal amount of the 2025 Notes and, on the June 1, 2025 maturity date, paid \$550.0 million to settle the outstanding principal amount of the Livongo Notes. As of June 30, 2025, only the 2027 Notes remain outstanding.

The following table presents certain terms of the 2027 Notes that were outstanding as of June 30, 2025:

	2027 Notes
Principal Amount Outstanding as of June 30, 2025 (in thousands)	\$ 1,000,000
Interest Rate Per Year	1.25 %
Fair Value as of June 30, 2025 (in thousands) (1)	\$ 921,000
Fair Value as of December 31, 2024 (in thousands) (1)	\$ 875,000
Maturity Date	June 1, 2027
Optional Redemption Date	June 5, 2024
Conversion Date	December 1, 2026
Conversion Rate Per \$1,000 Principal Amount as of June 30, 2025	4.1258
Remaining Contractual Life as of June 30, 2025	1.9 years

- (1) The Company estimates the fair value of its 2027 Notes utilizing market quotations for debt that have quoted prices in active markets. Since the Notes do not trade on a daily basis in an active market, the fair value estimates are based on market observable inputs based on borrowing rates currently available for debt with similar terms and average maturities. The 2027 Notes would be classified as Level 2 within the fair value hierarchy, as defined in Note 2. "Basis of Presentation and Principles of Consolidation."

The 2027 Notes are unsecured obligations of the Company and rank senior in right of payment to the Company's indebtedness that is expressly subordinated in right of payment to such 2027 Notes; equal in right of payment to the Company's liabilities that are not so subordinated; effectively junior in right of payment to any of the Company's secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities incurred by the Company's subsidiaries.

Holders may convert all or any portion of their 2027 Notes in integral multiples of \$1,000 principal amount, at their option, at any time prior to the close of business on the business day immediately preceding the applicable conversion date only under the following circumstances:

- during any quarter (and only during such quarter), if the last reported sale price of the shares of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding quarter is greater than or equal to 130% of the conversion price for the 2027 Notes on each applicable trading day;
- during the five business day period after any 10 consecutive trading day period in which the trading price was less than 98% of the product of the last reported sale price of Company's common stock and the conversion rate for the 2027 Notes on each such trading day;
- upon the occurrence of specified corporate events described under the applicable indenture; or
- if the Company calls the 2027 Notes for redemption, at any time until the close of business on the second business day immediately preceding the redemption date.

On or after the applicable conversion date, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of the 2027 Notes, regardless of the foregoing circumstances.

The 2027 Notes are convertible into shares of the Company's common stock at the applicable conversion rate shown in the table above. Upon conversion, the Company will pay or deliver, as the case may be, cash, shares of the Company's common stock or a combination thereof, at the Company's election. If the Company elects to satisfy the conversion obligation solely in cash or through payment and delivery, as the case may be, of a combination of cash and shares of the Company's common stock, the amount of cash and shares of the Company's common stock due upon conversion will be based on a daily conversion value calculated on a proportionate basis for each trading day in a 25 consecutive trading day observation period.

The Company may redeem for cash all or part of the 2027 Notes, at its option, on or after the applicable optional redemption date shown in the table above if the last reported sale price of its common stock exceeds 130% of the

conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading days ending on, and including, the trading day immediately preceding the date on which the Company provides notice of the redemption. The redemption price will be the principal amount of the 2027 Notes to be redeemed, plus accrued and unpaid interest, if any. In addition, calling the 2027 Notes for redemption on or after the applicable optional redemption date will constitute a make-whole fundamental change with respect to the 2027 Notes, in which case the conversion rate applicable to the conversion of the 2027 Notes, if it is converted in connection with the redemption, will be increased in certain circumstances as described in the applicable indenture.

The Company accounts for the 2027 Notes at amortized cost within the liability section of its Condensed Consolidated Balance Sheets. The Company has reserved an aggregate of 4.1 million shares of common stock for the 2027 Notes.

The net carrying values of the indicated notes consisted of the following (in thousands):

	As of	
	June 30, 2025	December 31, 2024
<b>2025 Notes</b>		
Principal	\$ —	\$ 725
Less: Debt discount (1)	—	(2)
Net carrying amount	—	723
<b>Livongo Notes</b>		
Principal	—	550,000
Less: Debt discount (1)	—	—
Net carrying amount	—	550,000
<b>2027 Notes</b>		
Principal	1,000,000	1,000,000
Less: Debt discount (1)	(6,835)	(8,582)
Net carrying amount	993,165	991,418
<b>Total net carrying amount</b>	<b>\$ 993,165</b>	<b>\$ 1,542,141</b>
Convertible senior notes, net—current	\$ —	\$ 550,723
Convertible senior notes, net—non-current	993,165	991,418
<b>Total net carrying amount</b>	<b>\$ 993,165</b>	<b>\$ 1,542,141</b>

- (1) Included in the accompanying Condensed Consolidated Balance Sheets within Convertible senior notes, net—current and Convertible senior notes, net—non-current and amortized to interest expense over the expected life of the notes using the effective interest rate method.

The following table sets forth total interest expense recognized related to the indicated notes (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>2025 Notes</b>				
Contractual interest expense	\$ 1	\$ 3	\$ 3	\$ 5
Amortization of debt discount	—	1	1	2
Total	\$ 1	\$ 4	\$ 4	\$ 7
Effective interest rate	1.8 %	1.8 %	1.8 %	1.8 %
	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>Livongo Notes</b>				
Contractual interest expense	\$ 802	\$ 1,203	\$ 2,005	\$ 2,406
Amortization of debt discount	—	—	—	—
Total	\$ 802	\$ 1,203	\$ 2,005	\$ 2,406
Effective interest rate	0.9 %	0.9 %	0.9 %	0.9 %
	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<b>2027 Notes</b>				
Contractual interest expense	\$ 3,125	\$ 3,125	\$ 6,250	\$ 6,250
Amortization of debt discount	874	861	1,746	1,719
Total	\$ 3,999	\$ 3,986	\$ 7,996	\$ 7,969
Effective interest rate	1.6 %	1.6 %	1.6 %	1.6 %

#### Note 11. Leases

##### *Operating Leases*

The Company has operating leases for facilities, hosting co-location facilities, and certain equipment under non-cancelable leases in the U.S. and various international locations. The leases have remaining lease terms of less than one to seven years, with options to extend the lease term from one to five years. At the inception of an arrangement, the Company determines whether the arrangement is, or contains, a lease based on the terms covering the right to use property, plant or equipment for a stated period of time. The Company separately allocates the lease (e.g., fixed lease payments for right-to-use land, building, etc.) and non-lease components (e.g., common area maintenance) for its leases.

The Company leases office space under non-cancelable operating leases in the U.S. and various international locations. The future minimum lease payments under non-cancelable operating leases were as follows (in thousands):

	As of June 30,
	2025
<b>Operating Leases:</b>	
2025	\$ 6,653
2026	11,916
2027	8,805
2028	6,786
2029	5,249
2030 and thereafter	8,570
Total future minimum payments	47,979
Less: imputed interest	(6,052)
Present value of lease liabilities	\$ 41,927
Accrued expenses and other current liabilities	\$ 9,880
Operating lease liabilities, net of current portion	\$ 32,047

The Company rents certain virtual healthcare platforms to selected qualified customers under arrangements that qualify as either sales-type lease or operating lease arrangements. Leases have terms that generally range from two to five years.

The Company recorded certain restructuring costs related to lease impairments and the related charges due to the abandonment and/or exit of excess leased office space. However, the lease liabilities related to these spaces remain an outstanding obligation of the Company as of June 30, 2025. See Note. 12, "Restructuring," for further information.

#### Note 12. Restructuring

The Company accounts for restructuring costs in accordance with Accounting Standards Codification ("ASC") Subtopic 420-10, "Exit or Disposal Cost Obligations" and ASC Section 360-10-35, "Property, Plant and Equipment-Subsequent Measurement." The costs are recorded to the "Restructuring costs" line item within the Company's Condensed Consolidated Statements of Operations and Other Comprehensive Loss as they are recognized.

The Company recorded \$5.7 million of restructuring costs during the three months ended June 30, 2025, of which \$5.4 million was related to employee transition, severance payments, employee benefits, and related costs and \$0.3 million was related to costs associated with office space reductions, including \$0.1 million of right-of-use asset impairment charges. The Company recorded \$10.0 million of restructuring costs during the six months ended June 30, 2025, of which \$9.0 million was related to employee transition, severance payments, employee benefits, and related costs and \$1.0 million was related to costs associated with office space reductions, including \$0.3 million of right-of-use asset impairment charges.

The Company recorded \$1.5 million of restructuring costs during the three months ended June 30, 2024, of which \$1.3 million was related to employee transition, severance payments, employee benefits, and related costs and \$0.1 million was for other restructuring related costs. The Company recorded \$11.2 million of restructuring costs during the six months ended June 30, 2024, of which \$8.3 million was related to employee transition, severance payments, employee benefits, and related costs and \$2.8 million was for other restructuring related costs.

The portion of these expenses that are to be settled by cash disbursements was accounted for as a restructuring liability under the line item "Accrued expenses and other current liabilities" in the Company's Condensed Consolidated Balance Sheets.

The table below summarizes the accrual and charges incurred and cash payments made with respect to the Company's restructurings, with the severance related portion included in the line item "Accrued compensation" and the lease termination and other related portion included in the line item "Accrued expenses and other current liabilities" in the Company's Condensed Consolidated Balance Sheets as of June 30, 2025 (in thousands):

	Restructuring Plan			Total
	Severance	Lease Termination	Other (1)	
<b>Accrued Balance, December 31, 2024</b>	\$ 1,152	\$ 5,036	\$ —	\$ 6,188
Additions	8,996	693	12	9,701
Cash payments	(8,282)	(798)	(12)	(9,092)
<b>Accrued Balance, June 30, 2025</b>	<u>\$ 1,866</u>	<u>\$ 4,931</u>	<u>\$ —</u>	<u>\$ 6,797</u>

(1) Reflects amounts associated with other restructuring related costs.

### Note 13. Stock-based Compensation

The Company regularly issues share-based compensation to its employees and directors who are not employees of the Company. The accounting guidance for share-based compensation requires measurement of compensation cost for share-based awards at fair value and recognition of compensation cost over the service period. For a full description of the Company's stock-based compensation programs, refer to Note 13 of the Company's financial statements included in the Company's 2024 Form 10-K.

In the six months ended June 30, 2025, the Company granted a portion of its employees awards in the form of restricted stock units ("RSUs") and performance stock units ("PSUs"). The total number of units granted was approximately 8.7 million and the aggregate fair value of the awards was \$82.1 million. A portion of the awards granted consisted of RSUs vesting over a three year period, with one-third vesting on the first anniversary of the grant and with the remainder vesting quarterly thereafter. A smaller portion of the awards granted consisted of PSUs subject to the achievement of specific performance criteria that will time-vest over a three year period, whereas the expense will be recognized on an accelerated tranche-by-tranche basis.

The following table reflects stock-based compensation expense by award type for the indicated periods (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Options	\$ 747	\$ 2,228	\$ 1,815	\$ 3,899
RSUs	18,537	39,192	40,707	76,509
PSUs	2,782	278	4,311	2,849
Employee Stock Purchase Plan	278	409	674	1,175
<b>Total stock-based compensation</b>	<u>\$ 22,344</u>	<u>\$ 42,107</u>	<u>\$ 47,507</u>	<u>\$ 84,432</u>

Total compensation costs for stock-based awards were recorded for the indicated periods as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cost of revenue (exclusive of depreciation and amortization, which are shown separately)	\$ 506	\$ 1,313	\$ 1,079	\$ 2,707
Advertising and marketing	1,302	3,378	2,805	7,167
Sales	3,594	6,953	7,853	14,920
Technology and development	4,247	9,683	10,032	18,982
General and administrative	12,695	20,780	25,738	40,656
Total stock-based compensation expense	22,344	42,107	47,507	84,432
Capitalized stock-based compensation	1,904	3,390	4,481	7,287
Total stock-based compensation	\$ 24,248	\$ 45,497	\$ 51,988	\$ 91,719

As of June 30, 2025, the Company had unrecognized compensation cost related to outstanding stock-based award as follows (dollars in thousands):

Award Type	Unearned Compensation	Weighted Average Remaining Life (Years)
Options	\$ 1,822	2.1
RSUs	\$ 106,952	1.9
PSUs	\$ 23,597	2.6

#### Note 14. Provision for Income Taxes

The Company recorded an income tax benefit of \$7.8 million and \$26.0 million for the three and six months ended June 30, 2025, respectively, and an income tax expense of \$3.9 million and \$6.6 million for the same periods in 2024. The tax benefit in 2025 resulted primarily from a discrete benefit of \$20.1 million related to completion of a research and development tax credit study and \$11.1 million from the current year's acquisitions, offset by ordinary tax expense of \$5.0 million. The tax expense in 2024 was primarily due to a shortfall related to stock-based compensation awards that were vested in the quarter.

On July 4, 2025, the One Big Beautiful Bill Act ("OBBBA") was signed into law. The OBBBA makes permanent key elements of the Tax Cuts and Jobs Act, including 100% bonus depreciation, domestic research cost expensing, and the business interest expense limitation. The Company is evaluating the impact of the OBBBA and the results of such evaluations will be reflected on the Company's Form 10-Q for the quarter ended September 30, 2025.

#### Note 15. Commitments and Contingencies

##### Commitments

The Company has contractual obligations to make future payments related to its outstanding convertible senior notes, which are presented in Note 10. Convertible Senior Notes, and its long-term operating leases, which are presented in Note 11. Leases.

##### Legal Matters

From time to time, Teladoc Health is involved in various litigation matters arising in the normal course of business, including the matters described below. The Company consults with legal counsel on those issues related to litigation and seeks input from other experts and advisors with respect to such matters. Estimating the probable losses or a range of probable losses resulting from litigation, government actions, and other legal proceedings is inherently difficult and requires an extensive degree of judgment, particularly where the matters involve indeterminate claims for monetary damages, may involve discretionary amounts, present novel legal theories, are in the early stages of the proceedings, or are

subject to appeal. Whether any losses, damages, or remedies ultimately resulting from such matters could reasonably have a material effect on the Company's business, financial condition, results of operations, or cash flows will depend on a number of variables, including, for example, the timing and amount of such losses or damages (if any) and the structure and type of any such remedies. As of the date of these financial statements, Teladoc Health's management does not expect any litigation matter to have a material adverse impact on its business, financial condition, results of operations, or cash flows.

On June 6, 2022, a purported securities class action complaint (*Schneider v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period October 28, 2021 through April 27, 2022. The complaint asserted violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's business, operations, and prospects. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On August 2, 2022, a duplicative purported securities class action complaint (*De Schutter v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Eastern District of New York, which was consolidated with the *Schneider* case in the Southern District court under the caption *In re Teladoc Health, Inc. Securities Litigation*. The lead plaintiff subsequently filed amended complaints that expanded the alleged class period to February 11, 2021 to July 27, 2022. On July 5, 2023, the court granted the defendants' motion to dismiss the complaint, and on September 24, 2024 the U.S. Court of Appeals for the Second Circuit affirmed in part, and vacated in part, the Southern District court's dismissal and remanded for further proceedings. On March 21, 2025, the court granted the defendant's renewed motion to dismiss, and on July 25, 2025 the lead plaintiff filed an appeal of the Southern District Court's dismissal in the United States Court of Appeals for the Second Circuit. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the lawsuit vigorously.

On August 9, 2022, a verified shareholder derivative complaint (*Vaughn v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company as a nominal defendant and certain of the Company's officers and directors. The complaint asserts violations of Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, and waste of corporate assets in connection with factual assertions similar to those in the purported securities class action complaints described above. The complaint seeks damages to the Company allegedly sustained as a result of the acts and omissions of the named officers and directors and seeks an order directing the Company to reform and improve the Company's corporate governance. On September 6, 2022, a duplicative verified stockholder derivative complaint (*Hendry v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in *Hendry* were substantially similar to those in *Vaughn*. The *Vaughn* and *Hendry* actions were consolidated under the caption *In re Teladoc Stockholder Derivative Litigation*, and a consolidated complaint was filed on November 29, 2022. The consolidated complaint also asserts violations of Section 14(a) of the Securities Exchange Act of 1934. The parties subsequently stipulated to transfer the action to the U.S. District Court for the District of Delaware, and on December 22, 2022 the parties agreed, and the Court ordered, to stay all proceedings until final resolution, including exhaustion of appeals, of the motion to dismiss filed in the purported securities class action complaint described above. The named directors and officers have not yet responded to the complaint. On April 11, 2025, the parties agreed, and the Court ordered, to dismiss the action without prejudice.

There have been multiple putative class-action lawsuits filed against the Company's subsidiary BetterHelp in connection with the consent order that BetterHelp entered into with the U.S. Federal Trade Commission in July 2023. The actions have been filed in California federal and state courts and in Canada. The cases are substantially similar, involving allegations of misleading patients as to BetterHelp's use of patient data and associated alleged violations of law involving privacy, advertising, contract, and tort. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuits vigorously.

On February 13, 2023, Data Health Partners, Inc. ("Data Health Partners") filed a lawsuit against the Company in the U.S. District Court for the District of Delaware alleging that certain of the Company's products, including its blood glucose meter, infringe upon certain patents held by Data Health Partners and seeking unspecified damages, attorney's fees and costs. The Company believes that it has substantial defenses, and the Company intends to defend the lawsuit vigorously.

On May 17, 2024, a purported securities class action complaint (*Stary v. Teladoc Health, Inc., et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company and certain of the Company's current

and former officers. The complaint was brought on behalf of a purported class consisting of all persons or entities who purchased or otherwise acquired shares of the Company's common stock during the period November 2, 2022 through February 20, 2024. The complaint asserts violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder based on allegedly false or misleading statements and omissions with respect to, among other things, the Company's advertising spend on BetterHelp. The complaint seeks certification as a class action and unspecified compensatory damages plus interest and attorneys' fees. On July 15, 2024, a duplicative purported securities class action complaint (Waits v. Teladoc Health, Inc., *et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in Waits were substantially similar to those in Stary. The Stary and Waits actions were consolidated. On December 10, 2024, the District Court appointed co-lead plaintiffs, and, on February 24, 2025 the lead plaintiffs filed an amended complaint that asserts Exchange Act claims for a putative class of shareholders who purchased or acquired stock between July 26, 2023 and February 20, 2024. The Company believes that it has substantial defenses, and the Company and its named officers intend to defend the lawsuits vigorously, including through the filing of a motion to dismiss the complaint on June 20, 2025.

On June 18, 2024, a verified shareholder derivative complaint (Roy v. Gorevic, *et al.*) was filed in the U.S. District Court for the Southern District of New York against the Company as a nominal defendant and certain of the Company's current and former officers and directors. The complaint asserts violations of Sections 10(b) and 14(a) of the Securities Exchange Act of 1934, breach of fiduciary duty, aiding and abetting breach of fiduciary duty, unjust enrichment, waste of corporate assets, gross mismanagement and abuse of control in connection with factual assertions similar to those in the purported securities class action complaint described in the preceding paragraph. The complaint seeks damages to the Company allegedly sustained as a result of the acts and omissions of the named officers and directors and seeks an order directing the Company to reform and improve the Company's corporate governance. On October 4, 2024 the parties agreed, and the Court ordered, to stay all proceedings until any motion to dismiss filed in the purported securities class action complaint described above is granted with prejudice and any appeals therefrom are resolved, or any defendant files an answer in the purported securities class action complaint described above. On October 1, 2024, a duplicative verified stockholder derivative complaint (Brigman, *et al.* v. Daniel, *et al.*) was filed in the U.S. District Court for the Southern District of New York. The claims and parties in Brigman are substantially similar to those in Roy, and also alleges insider trading violations and misappropriation of information against certain defendants. On April 7, 2025 the parties agreed, and the Court ordered, to stay all proceedings until any motion to dismiss filed in the purported securities class action complaint described above is granted with prejudice and any appeals therefrom are resolved, or any defendant files an answer in the purported securities class action complaint described above. The named directors and officers have not yet responded to the complaint.

#### **Note 16. Segments**

ASC Subtopic 280-10, "*Segment Reporting*," establishes standards for reporting information about operating segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company's Chief Executive Officer is the CODM and is responsible for reviewing financial information presented on a segment basis for purposes of making operating decisions and assessing financial performance.

The CODM measures and evaluates segments based on segment operating revenues, segment expenses, and Adjusted EBITDA. The CODM reviews annual-operating-plan-to-actual variances for these measures on a regular basis to assess the performance of the segments and to make decisions about allocating resources. The Company does not include the following items in segment expenses and Adjusted EBITDA: provision for income taxes; interest income; interest expense; other expense (income), net; depreciation of property and equipment; amortization of intangible assets; restructuring costs; acquisition, integration, and transformation charges; goodwill impairment; and stock-based compensation. Although these amounts are excluded from segment Adjusted EBITDA, they are included in reported consolidated net loss and are included in the reconciliations that follow.

The Company's computation of segment Adjusted EBITDA may not be comparable to other similarly titled metrics computed by other companies because all companies do not calculate segment Adjusted EBITDA in the same fashion.

Operating revenues and expenses directly associated with each segment are included in determining its operating results. Other expenses that are not directly attributable to a particular segment are based upon allocation methodologies, including the following: revenue, headcount, time and other relevant usage measures, and/or a combination of such.

The Company has two reportable segments: Integrated Care and BetterHelp. The Integrated Care segment includes a suite of global virtual medical services including general medical, expert medical services, specialty medical, chronic condition management, mental health, and enabling technologies and enterprise telehealth solutions for hospitals and health systems. The BetterHelp segment includes virtual therapy and other wellness services provided on a global basis which are predominantly marketed and sold on a direct-to-consumer basis.

The CODM does not review any information regarding total assets on a segment basis. Segments do not record intersegment revenues, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for the Company as a whole.

The following tables present the financial results of the Company's reportable segments, along with reconciliations of the segments' total consolidated Adjusted EBITDA to the consolidated net loss for the periods indicated (in thousands):

Three Months Ended June 30, 2025	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 391,510	\$ 240,390	\$ 631,900
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	126,387	63,643	
Advertising and marketing, exclusive of stock-based compensation (1)		134,292	
Other segment expenses (2)	207,673	30,594	
Adjusted EBITDA	<u>\$ 57,450</u>	<u>\$ 11,861</u>	<u>69,311</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			22,344
Goodwill impairment			—
Acquisition, integration, and transformation costs			2,658
Restructuring costs			5,692
Amortization of intangible assets			88,664
Depreciation of property and equipment			4,338
Other expense (income), net			(8,371)
Interest expense			4,473
Interest income			(10,064)
Loss before provision for income taxes			<u>(40,423)</u>
Provision for income taxes			(7,763)
Net loss			<u>\$ (32,660)</u>

Three Months Ended June 30, 2024	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 377,421	\$ 265,023	\$ 642,444
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	117,645	69,100	
Advertising and marketing, exclusive of stock-based compensation (1)		135,708	
Other segment expenses (2)	195,748	34,762	
Adjusted EBITDA	<u>\$ 64,028</u>	<u>\$ 25,453</u>	<u>89,481</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			42,107
Goodwill impairment			790,000
Acquisition, integration, and transformation costs			457
Restructuring costs			1,500
Amortization of intangible assets			94,862
Depreciation of property and equipment			1,703
Other expense (income), net			563
Interest expense			5,648
Interest income			(13,572)
Loss before provision for income taxes			(833,787)
Provision for income taxes			3,884
Net loss			<u>\$ (837,671)</u>

Six Months Ended June 30, 2025	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 780,978	\$ 480,291	\$ 1,261,269
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	257,395	128,891	
Advertising and marketing, exclusive of stock-based compensation (1)		267,264	
Other segment expenses (2)	415,754	64,561	
Adjusted EBITDA	<u>\$ 107,829</u>	<u>\$ 19,575</u>	<u>127,404</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			47,507
Goodwill impairment			59,138
Acquisition, integration, and transformation costs			4,846
Restructuring costs			10,039
Amortization of intangible assets			172,968
Depreciation of property and equipment			7,902
Other expense (income), net			(10,806)
Interest expense			10,238
Interest income			(22,738)
Loss before provision for income taxes			(151,690)
Provision for income taxes			(26,018)
Net loss			<u>\$ (125,672)</u>

Six Months Ended June 30, 2024	Integrated Care	BetterHelp	Consolidated
Revenue	\$ 754,532	\$ 534,043	\$ 1,288,575
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation (1)	237,958	141,931	
Advertising and marketing, exclusive of stock-based compensation (1)		282,705	
Other segment expenses (2)	404,872	68,488	
Adjusted EBITDA	<u>\$ 111,702</u>	<u>\$ 40,919</u>	<u>152,621</u>
Less adjustments to reconcile to consolidated net loss:			
Stock-based compensation			84,432
Goodwill impairment			790,000
Acquisition, integration, and transformation costs			830
Restructuring costs			11,173
Amortization of intangible assets			189,919
Depreciation of property and equipment			4,537
Other expense (income), net			933
Interest expense			11,297
Interest income			(27,514)
Loss before provision for income taxes			(912,986)
Provision for income taxes			6,574
Net loss			<u>\$ (919,560)</u>

(1) The significant segment expense categories and amounts align with the information that is regularly provided to the CODM.

(2) Other segment expenses for the corresponding reportable segment includes:

Integrated Care—advertising and marketing expenses, sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

BetterHelp—sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

Geographic data for long-lived assets (representing property and equipment, net) were as follows (in thousands):

	As of	
	June 30, 2025	December 31, 2024
United States	\$ 23,321	\$ 25,686
International	4,346	3,801
Total long-lived assets	<u>\$ 27,667</u>	<u>\$ 29,487</u>

#### Note 17. Subsequent Events

On July 17, 2025 (the “Effective Date”), the Company entered into a credit agreement (the “Credit Agreement”) that provides for a five-year, \$300.0 million senior secured revolving credit facility (the “Revolving Credit Facility”).

Interest rates under the Revolving Credit Facility are variable and are equal to the euro interbank offered rate, the Sterling Overnight Index Average Reference Rate, the Secured Overnight Financing Rate (“Adjusted Term SOFR”) or the Canadian Overnight Repo Rate Average, in each case, plus a margin of 2.75% to 3.25% per annum based on the Company’s secured net leverage ratio, or, at the Company’s option, at a base reference rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) the rate of interest last quoted by the administrative agent of the Revolving Credit Facility (the “Administrative Agent”) as its “base rate” and (c) the one-month Adjusted Term SOFR plus 1.00%, plus a margin of 1.75% to 2.25% per annum based on the Company’s secured net leverage ratio.

The Company will pay customary agency fees and a commitment fee based on the daily unused portion of the Revolving Credit Facility at a rate of 0.50% per annum. The Revolving Credit Facility is not subject to amortization and will mature on the fifth anniversary of the Effective Date.

The Company's obligations under the Credit Agreement are unconditionally guaranteed by all material domestic and foreign wholly-owned subsidiaries of the Company (the "Subsidiary Guarantors" and together with the Company, the "Obligors"), with customary exceptions.

On the Effective Date, each of the Obligors and the Administrative Agent entered into a pledge and security agreement, pursuant to which the Obligors granted a security interest in substantially all of their respective assets, in each case, subject to customary exceptions and exclusions.

The Credit Agreement contains customary representations and warranties, affirmative covenants, negative covenants and events of default. The Credit Agreement also contains financial covenants that are tested on the last day of each of the Company's fiscal quarters. These financial covenants include a (x) maximum secured net leverage ratio of 3.50:1.00, subject to a 4.00:1.00 covenant holiday following certain permitted acquisitions or permitted collaborations, and (y) minimum consolidated interest coverage ratio of 3.00:1.00.

## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

### Special Note Regarding Forward-Looking Statements

Many statements made in this Quarterly Report on Form 10-Q that are not statements of historical fact, including statements about our beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of our business plan and strategies. These statements often include words such as “anticipates,” “believes,” “suggests,” “targets,” “projects,” “plans,” “expects,” “future,” “intends,” “estimates,” “predicts,” “potential,” “may,” “will,” “should,” “could,” “would,” “likely,” “foresee,” “forecast,” “continue” and other similar words or phrases, as well as statements in the future tense to identify these forward-looking statements. These forward-looking statements and projections are contained throughout this Form 10-Q, including the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” We base these forward-looking statements or projections on our current expectations, plans and assumptions that we have made in light of our experience in the industry, as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances and at such time. As you read and consider this Form 10-Q, you should understand that these statements are not guarantees of performance or results. The forward-looking statements and projections are subject to and involve risks, uncertainties, and assumptions and you should not place undue reliance on these forward-looking statements or projections. Although we believe that these forward-looking statements and projections are based on reasonable assumptions at the time they are made, you should be aware that many factors could affect our actual financial results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements and projections. Factors that may materially affect such forward-looking statements and projections include, but are not limited to, the section entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024 (the “2024 Form 10-K”) and in our other reports and U.S. Securities and Exchange Commission (“SEC”) filings. These cautionary statements should not be construed by you to be exhaustive and are made only as of the date of this Form 10-Q. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should evaluate all forward-looking statements made in this Form 10-Q in the context of these risks and uncertainties.

### Overview

Teladoc, Inc. was incorporated in the State of Texas in June 2002 and changed its state of incorporation to the State of Delaware in October 2008. Effective August 10, 2018, Teladoc, Inc. changed its corporate name to Teladoc Health, Inc. Unless the context otherwise requires, Teladoc Health, Inc., together with its subsidiaries, is referred to herein as “Teladoc Health,” the “Company,” or “we.” In June 2025, the Company relocated its principal executive office from Purchase, New York to New York, New York. Teladoc Health is the global leader in virtual care focused on forging a new healthcare experience with better convenience, outcomes, and value around the world.

We were founded on a simple, yet revolutionary idea: that everyone should have access to the best healthcare, anywhere in the world on their terms. Today, we have a vision of making virtual care the first step on any healthcare journey, and we are delivering on this mission by providing virtual care that includes primary care, mental health, chronic condition management, and more.

The impact that the imposition of tariffs and changes to global trade policies will have on our consolidated results of operations is uncertain. We expect tariffs on goods imported into the U.S. from Canada, Mexico, and China, and other countries upon which tariffs may be imposed, to continue to be met with retaliatory tariffs from those countries which would impact our consolidated results of operations as we import components for assembling welcome kits, refill kits, and replacement components for our chronic care management solutions and virtual healthcare devices manufactured for sale or lease as part of our hosted virtual healthcare platform solution. The extent and duration of tariffs and the resulting impact on macroeconomic conditions and on our business are uncertain and may depend on various factors, including negotiations between the U.S. and affected countries, retaliation imposed by other countries, tariff exemptions, negative sentiment toward U.S. companies and products, and availability of lower cost inputs that may be sourced domestically or in other countries with no or lower tariffs. We will continue to evaluate the nature and extent of the impact to our business and consolidated results of operations. For further information, see “Risk Factors—We depend on a limited number of third-party suppliers for certain components of our medical devices, and the loss of any of these suppliers, or their inability to provide us with an adequate supply of materials, could harm our business,” and “—Our international operations pose certain political, legal and compliance, operational, regulatory, economic, and other risks to our business that may be

different from or more significant than risks associated with our domestic operations, and our exposure to these risks is expected to increase” included in our 2024 Form 10-K.

## Key Factors Affecting Our Performance

We believe that our future performance will depend on many factors, including the following:

As it relates to the Integrated Care segment:

*Number of U.S. Integrated Care Members.* U.S. Integrated Care members represent the number of unique individuals who have paid access and visit fee only access to our suite of integrated care services in the U.S. at the end of the applicable period. Individuals who have paid access offer a greater margin than those who have visit fee only access and, over time, the mix of those who have paid access as compared to those who have visit fee only access has declined. Our revenue growth rate and long-term profitability are affected by our ability to increase cross selling capability among our existing members over time because we derive a substantial portion of our revenue from access and other fees via Client contracts that provide members access to the THMG Association professional provider network in exchange for a contractual based periodic fee. Therefore, we believe that our ability to add new members and retain existing members, and to increase utilization and penetration further into existing and new health plan and employer Clients is a key indicator of our increasing market adoption, the growth of our business, and our future revenue potential. We further believe that increasing our membership is an integral objective that will provide us with the ability to continually innovate our services and support initiatives that will enhance members’ experiences. However, certain health plans that have historically promoted our services to our employer Clients have developed, and may in the future continue to develop, solutions that replicate our services or offer competitive services at discounted prices to our current or prospective Clients, which could result in a loss of members. For further information, see “Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed,” and “—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations” included in our 2024 Form 10-K. U.S. Integrated Care members increased by 10.0 million, or 11%, to 102.4 million at June 30, 2025, compared to the same period in 2024.

*Chronic Care Program Enrollment.* Chronic care program enrollment represents the total number of enrollees across our suite of chronic care programs at the end of a given period. Our chronic care program enrollments are one of the key components of our virtual care platform that we believe positions us to drive greater engagement with our platforms and increase revenue. Chronic care program enrollment decreased by 5% to 1.117 million at June 30, 2025, compared to 1.173 million at June 30, 2024.

*Average Monthly Revenue Per U.S. Integrated Care Member.* Average monthly revenue per U.S. Integrated Care member measures the average monthly amount of global revenue that we generate from a U.S. Integrated Care member for a particular period. It is calculated by dividing the total revenue generated from the Integrated Care segment by the average number of U.S. Integrated Care members during the applicable period. Approximately 20% of total Integrated Care revenues relates to international and hospital and health systems for which membership is not considered as a management metric. We believe that our ability to increase the revenue generated from each member over time is also a key indicator of our increasing market adoption, the growth of our business, and future revenue potential. Average monthly revenue per U.S. Integrated Care member was \$1.27 in the three months ended June 30, 2025, compared to \$1.36 in the same period in 2024. Average monthly revenue per U.S. Integrated Care member was \$1.27 in the six months ended June 30, 2025, compared to \$1.37 in the same period in 2024.

As it relates to the BetterHelp segment:

*BetterHelp Paying Users.* BetterHelp paying users represent the average number of global monthly paying users of our BetterHelp therapy services during the applicable period, including both those who pay directly out-of-pocket and those who utilize their insurance coverage. We believe that our ability to add new paying users and retain existing users is a key indicator of the market adoption of BetterHelp, the growth of this segment, and future revenue potential. Effectively reaching potential paying users through various advertising channels remains critical to our success. BetterHelp paying users decreased by 5% to 0.388 million for the three months ended June 30, 2025, compared to 0.407 million for the three months ended June 30, 2024, and decreased by 4% to 0.393 million for the six months ended June 30, 2025, compared to 0.411 million for the six months ended June 30, 2024.

As it relates to the Company:

*Seasonality.* Our business has historically been subject to seasonality. In our Integrated Care segment, a concentration of our new Client contracts have an effective date of January 1 as a result of many Clients' introduction of new services at the start of each calendar year. Therefore, while membership increases, utilization and enrollment rates are dampened until service delivery ramps up over the course of the year. In addition, as a result of seasonal cold and flu trends, we historically have experienced our highest level of visit and other fee revenue during the first and fourth quarters of each year.

Due to the higher cost of customer acquisition during the end-of-year holiday season, our BetterHelp segment has historically reduced marketing activity during the fourth quarter. As a result of this dynamic, we have typically experienced fewer new member additions and strong operating income performance in the fourth quarter. Conversely, as marketing activity typically resumes at the start of the year, we typically experience weak operating income performance during the first quarter as new customer acquisition and revenue growth lags marketing spend.

### **Critical Accounting Estimates and Policies**

Our discussion and analysis of our results of operations, liquidity and capital resources are based on our condensed consolidated financial statements which have been prepared in conformity with accounting principles generally accepted in the U.S. ("GAAP"). The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and disclosure of contingent assets and liabilities.

On an ongoing basis, we evaluate our estimates and judgments, including those related to revenue recognition, business combinations, goodwill and other intangible assets, income taxes, and other items. We base our estimates on historical and anticipated results and trends and on various other assumptions that we believe are reasonable under the circumstances, including assumptions as to future events. These estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. By their nature, estimates are subject to an inherent degree of uncertainty. Actual results may differ from our estimates and could have a significant adverse effect on our results of operations and financial position. For a discussion of our critical accounting policies and estimates see Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the 2024 Form 10-K.

### **Non-GAAP Financial Measures**

To supplement our financial information presented in accordance with GAAP, we use certain non-GAAP financial measures to clarify and enhance an understanding of past performance, which include Adjusted EBITDA (as defined below) and free cash flow. We believe that the presentation of these financial measures enhances an investor's understanding of our financial performance, and are commonly used by investors to evaluate our performance and that of our competitors. We further believe that these financial measures are useful to assess our operating performance and financial and business trends from period-to-period by excluding certain items that we believe are not representative of our core business, and that free cash flow reflects an additional way of viewing our liquidity that, when viewed together with GAAP results, provides management, investors, and other users of our financial information with a more complete understanding of factors and trends affecting our cash flows. We use these non-GAAP financial measures for business planning purposes and in measuring our performance relative to that of our competitors. We utilize Adjusted EBITDA as a key measure of our performance.

Adjusted EBITDA consists of net loss before provision for income taxes; other expense (income), net; interest income; interest expense; depreciation of property and equipment; amortization of intangible assets; restructuring costs; acquisition, integration, and transformation cost; goodwill impairment; and stock-based compensation.

Free cash flow is net cash provided by operating activities less capital expenditures and capitalized software development costs.

Our use of these non-GAAP terms may vary from that of others in our industry, and other companies may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Non-GAAP measures have important limitations as analytical tools and you should not consider them in isolation, and they should not be considered as an alternative to net loss before provision for income taxes, net loss, net loss per share, net cash from operating activities or any other measures derived in accordance with GAAP. Some of these limitations are:

- Adjusted EBITDA eliminates the impact of the provision for income taxes on our results of operations, and does not reflect other expense (income), net, interest income, or interest expense;
- Adjusted EBITDA does not reflect restructuring costs. Restructuring costs may include certain lease impairment costs, certain losses related to early lease terminations, and severance;
- Adjusted EBITDA does not reflect significant acquisition, integration, and transformation costs. Acquisition, integration, and transformation costs include investment banking, financing, legal, accounting, consultancy, integration, fair value changes related to contingent consideration and certain other transaction costs related to mergers and acquisitions. It also includes costs related to certain business transformation initiatives focused on integrating and optimizing various operations and systems, including upgrading our CRM and ERP systems. These transformation cost adjustments made to our results do not represent normal, recurring, operating expenses necessary to operate the business but rather, incremental costs incurred in connection with our acquisition and integration activities;
- Adjusted EBITDA does not reflect goodwill impairment charges; and
- Adjusted EBITDA does not reflect the significant non-cash stock-based compensation expense which should be viewed as a component of recurring operating costs.

In addition, although amortization of intangible assets and depreciation of property and equipment are non-cash charges, the assets being amortized and depreciated will often have to be replaced in the future, and Adjusted EBITDA does not reflect any expenditures for such replacements.

We compensate for these limitations by using these non-GAAP measures along with other comparative tools, together with GAAP measurements, to assist in the evaluation of operating performance. Such GAAP measurements include net loss, net loss per share, net cash provided by operating activities, and other performance measures.

In evaluating these financial measures, you should be aware that in the future we may incur expenses similar to those eliminated in this presentation. Our presentation of these non-GAAP measures should not be construed as an inference that our future results will be unaffected by unusual or nonrecurring items.

## Condensed Consolidated Results of Operations

The following table sets forth our Condensed Consolidated Statements of Operations data for the three months ended June 30, 2025 and 2024 and the dollar and percentage change between the respective periods (dollars in thousands, except per share data):

	Three Months Ended June 30,		Variance	%
	2025	2024		
Revenue	\$ 631,900	\$ 642,444	\$ (10,544)	(2)%
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	190,537	188,059	2,478	1 %
Advertising and marketing	167,547	170,270	(2,723)	(2)%
Sales	49,951	50,438	(487)	(1)%
Technology and development	68,784	76,751	(7,967)	(10)%
General and administrative	108,114	109,552	(1,438)	(1)%
Goodwill impairment	—	790,000	(790,000)	N/M
Acquisition, integration, and transformation costs	2,658	457	2,201	N/M
Restructuring costs	5,692	1,500	4,192	279 %
Amortization of intangible assets	88,664	94,862	(6,198)	(7)%
Depreciation of property and equipment	4,338	1,703	2,635	155 %
Total costs and expenses	686,285	1,483,592	(797,307)	(54)%
Loss from operations	(54,385)	(841,148)	786,763	(94)%
Interest income	(10,064)	(13,572)	3,508	(26)%
Interest expense	4,473	5,648	(1,175)	(21)%
Other expense (income), net	(8,371)	563	(8,934)	N/M
Loss before provision for income taxes	(40,423)	(833,787)	793,364	(95)%
Provision for income taxes	(7,763)	3,884	(11,647)	(300)%
Net loss	\$ (32,660)	\$ (837,671)	\$ 805,011	(96)%
Net loss per share, basic and diluted	\$ (0.19)	\$ (4.92)	\$ 4.73	(96)%
Adjusted EBITDA (1)	\$ 69,311	\$ 89,481	\$ (20,170)	(23)%

N/M - Not Meaningful

(1) Non-GAAP Financial Measure

The following table sets forth our Condensed Consolidated Statements of Operations data for the six months ended June 30, 2025 and 2024 and the dollar and percentage change between the respective periods (dollars in thousands, except per share data):

	Six Months Ended June 30,		Variance	%
	2025	2024		
Revenue	\$ 1,261,269	\$ 1,288,575	\$ (27,306)	(2)%
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization, which are shown separately below)	387,366	382,597	4,769	1 %
Advertising and marketing	335,732	353,599	(17,867)	(5)%
Sales	98,644	104,802	(6,158)	(6)%
Technology and development	138,742	158,139	(19,397)	(12)%
General and administrative	220,888	221,249	(361)	— %
Goodwill impairment	59,138	790,000	(730,862)	N/M
Acquisition, integration, and transformation costs	4,846	830	4,016	N/M
Restructuring costs	10,039	11,173	(1,134)	(10)%
Amortization of intangible assets	172,968	189,919	(16,951)	(9)%
Depreciation of property and equipment	7,902	4,537	3,365	74 %
Total costs and expenses	1,436,265	2,216,845	(780,580)	(35)%
Income (loss) from operations	(174,996)	(928,270)	753,274	(81)%
Interest income	(22,738)	(27,514)	4,776	(17)%
Interest expense	10,238	11,297	(1,059)	(9)%
Other expense (income), net	(10,806)	933	(11,739)	N/M
Income (loss) before provision for income taxes	(151,690)	(912,986)	761,296	(83)%
Provision for income taxes	(26,018)	6,574	(32,592)	N/M
Net income (loss)	\$ (125,672)	\$ (919,560)	\$ 793,888	(86)%
Net income (loss) per share, basic and diluted	\$ (0.72)	\$ (5.44)	\$ 4.72	(87)%
Adjusted EBITDA (1)	\$ 127,404	\$ 152,621	\$ (25,217)	(17)%

N/M - Not Meaningful

(1) Non-GAAP Financial Measure

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The following table reconciles net loss, the most directly comparable GAAP financial measure, to Adjusted EBITDA for the three and six months ended June 30, 2025 and 2024 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (32,660)	\$ (837,671)	\$ (125,672)	\$ (919,560)
Add:				
Provision for income taxes	(7,763)	3,884	(26,018)	6,574
Other expense (income), net	(8,371)	563	(10,806)	933
Interest expense	4,473	5,648	10,238	11,297
Interest income	(10,064)	(13,572)	(22,738)	(27,514)
Depreciation of property and equipment	4,338	1,703	7,902	4,537
Amortization of intangible assets	88,664	94,862	172,968	189,919
Restructuring costs	5,692	1,500	10,039	11,173
Acquisition, integration, and transformation costs	2,658	457	4,846	830
Goodwill impairment	—	790,000	59,138	790,000
Stock-based compensation	22,344	42,107	47,507	84,432
Adjusted EBITDA	\$ 69,311	\$ 89,481	\$ 127,404	\$ 152,621
Integrated Care	\$ 57,450	\$ 64,028	\$ 107,829	\$ 111,702
BetterHelp	11,861	25,453	19,575	40,919
Adjusted EBITDA	\$ 69,311	\$ 89,481	\$ 127,404	\$ 152,621

**Revenue.** The following table presents revenues disaggregated by revenue source and geography for the three months ended June 30, 2025 and 2024:

(\$ in thousands, unaudited)	Three Months Ended June 30,		Variance	%
	2025	2024		
<b>Revenue by Type</b>				
Access Fees	\$ 523,703	\$ 559,648	\$ (35,945)	(6)%
Other	108,197	82,796	25,401	31 %
Total Revenue	\$ 631,900	\$ 642,444	\$ (10,544)	(2)%
<b>Revenue by Geography</b>				
U.S. Revenue	\$ 519,689	\$ 540,802	\$ (21,113)	(4)%
International Revenue	112,211	101,642	10,569	10 %
Total Revenue	\$ 631,900	\$ 642,444	\$ (10,544)	(2)%

The following table presents revenues disaggregated by revenue source and geography for the six months ended June 30, 2025 and 2024:

(\$ in thousands, unaudited)	Six Months Ended June 30,		Variance	%
	2025	2024		
<b>Revenue by Type</b>				
Access Fees	\$ 1,049,439	\$ 1,116,822	\$ (67,383)	(6)%
Other	211,830	171,753	40,077	23 %
Total Revenue	<u>\$ 1,261,269</u>	<u>\$ 1,288,575</u>	<u>\$ (27,306)</u>	<u>(2)%</u>
<b>Revenue by Geography</b>				
U.S. Revenue	\$ 1,044,659	\$ 1,088,402	\$ (43,743)	(4)%
International Revenue	216,610	200,173	16,437	8 %
Total Revenue	<u>\$ 1,261,269</u>	<u>\$ 1,288,575</u>	<u>\$ (27,306)</u>	<u>(2)%</u>

Total revenue was \$631.9 million for the three months ended June 30, 2025, compared to \$642.4 million for the three months ended June 30, 2024, a decrease of \$10.5 million, or 2%. This decrease in revenue was driven by lower revenue in our BetterHelp segment, partially offset by higher revenue in our Integrated Care segment. The acquisitions of Catapult Health and Uplift increased total revenue for the three months ended June 30, 2025 by approximately 2 percentage points. Other revenue predominately includes visit fees and, to a lesser extent, revenue from the sales of our telehealth solutions for hospitals and health systems.

Total revenue was \$1,261.3 million for the six months ended June 30, 2025, compared to \$1,288.6 million for the six months ended June 30, 2024, a decrease of \$27.3 million, or 2%. This decrease in revenue was driven by lower revenue in our BetterHelp segment, partially offset by higher revenue in our Integrated Care segment. The acquisitions of Catapult Health and Uplift increased total revenue for the six months ended June 30, 2025 by approximately 1 percentage point.

**Cost of Revenue (exclusive of depreciation and amortization, which are shown separately below).** Cost of revenue was \$190.5 million for the three months ended June 30, 2025, compared to \$188.1 million for the three months ended June 30, 2024, an increase of \$2.5 million, or 1%. On a year-to-date basis, cost of revenue increased by \$4.8 million, or 1%, to \$387.4 million. The increase for both periods was primarily driven by higher labor costs, technology costs, and amortization of devices, offset by lower physician costs.

**Advertising and Marketing Expenses.** Advertising and marketing expenses were \$167.5 million for the three months ended June 30, 2025, compared to \$170.3 million for the three months ended June 30, 2024, a decrease of \$2.7 million, or 2%. On a year-to-date basis, advertising and marketing expenses decreased by \$17.9 million, or 5%, to \$335.7 million. The decrease for both periods was driven mainly by lower digital and media advertising costs and lower employee compensation costs, partially offset by higher professional fees and conference costs.

**Sales Expenses.** Sales expenses were \$50.0 million for the three months ended June 30, 2025, compared to \$50.4 million for the three months ended June 30, 2024, a decrease of \$0.5 million, or 1%. This decrease reflects lower employee compensation costs and professional fees, offset by higher commissions costs, travel costs, and software and infrastructure costs. On a year-to-date basis, sales expenses decreased by \$6.2 million, or 6%, to \$98.6 million. This reflects lower employee compensation costs, partially offset by higher commissions costs.

**Technology and Development Expenses.** Technology and development expenses were \$68.8 million for the three months ended June 30, 2025, compared to \$76.8 million for the three months ended June 30, 2024, a decrease of \$8.0 million, or 10%. The decrease primarily reflects lower employee compensation costs, partially offset by higher infrastructure, hosting, and software license costs. On a year-to-date basis, technology and development expenses decreased by \$19.4 million, or 12% to \$138.7 million. The year-to-date decrease was primarily driven by lower employee compensation costs.

For the three months ended June 30, 2025 and 2024, research and development costs, which exclude amounts reflected as capitalized software development costs, were \$22.1 million and \$22.2 million, respectively. For the six months ended June 30, 2025 and 2024, research and development costs were \$45.0 million and \$47.0 million, respectively.

**General and Administrative Expenses.** General and administrative expenses decreased \$1.4 million, or 1%, to \$108.1 million for the three months ended June 30, 2025, compared to \$109.6 million for the three months ended June 30, 2024. The decrease was primarily driven by lower indirect taxes, professional fees, credit card processing fees, bad debt expense, human resource management costs, and occupancy and office costs, partially offset by higher legal costs, software and infrastructure costs, and costs for dues and subscriptions. On a year-to-date basis, general and administrative expenses were flat at \$220.9 million compared to \$221.2 million in the prior year. This reflects lower employee compensation costs, credit card processing fees, therapist onboarding costs, call center costs, bank fees, bad debt expenses, therapist recruiting costs, occupancy and office costs, and costs for conference and events, offset by higher legal costs, indirect taxes, software and infrastructure costs, professional fees, and costs for dues and subscriptions.

**Goodwill Impairment.** Concurrent with the completion of the acquisition of Catapult Health, we performed a goodwill impairment test on the Integrated Care reporting unit and determined that the carrying value of the reporting unit continued to exceed its fair value. As a result, an immediate impairment of \$59.1 million of goodwill associated with the Catapult Health acquisition was recognized in the three months ended March 31, 2025. As the carrying value of the Integrated Care reporting unit continues to exceed its fair value, any future business combinations that would be part of the Integrated Care reporting unit could result in further goodwill impairment charges.

**Acquisition, Integration, and Transformation Costs.** Acquisition, integration, and transformation costs primarily consisted of costs to integrate and upgrade our Customer Relationship Management and Enterprise Resource Planning ecosystem and costs to integrate the operations of acquired operations and were \$2.7 million and \$0.5 million for the three months ended June 30, 2025 and 2024, respectively, and were \$4.8 million and \$0.8 million for the six months ended June 30, 2025 and 2024, respectively.

**Restructuring Costs.** Restructuring costs for the three months ended June 30, 2025 were \$5.7 million, of which \$5.4 million was for employee transition, severance, employee benefits, and related costs and \$0.3 million was related to costs associated with office space reductions, including \$0.1 million of right-of-use asset impairment charges. Restructuring costs for the six months ended June 30, 2025 were \$10.0 million, of which \$9.0 million was for employee transition, severance, employee benefits, and related costs and \$1.0 million was related to costs associated with office space reductions, including \$0.3 million of right-of-use asset impairment charges.

Restructuring costs for the three months ended June 30, 2024 were \$1.5 million, of which \$1.3 million was for employee transition, severance, employee benefits, and related costs and \$0.1 million was related to other restructuring related costs. Restructuring costs for the six months ended June 30, 2024 were \$11.2 million, of which \$8.3 million was for employee transition, severance, employee benefits, and related costs and \$2.8 million was related to other restructuring related costs.

#### **Amortization of Intangible Assets.**

The following table shows amortization of intangible assets broken down by components for the periods indicated (in thousands):

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	%	2025	2024	%
Amortization of acquired intangibles	\$ 44,372	\$ 64,102	(31)%	\$ 86,783	\$ 128,283	(32)%
Amortization of capitalized software development costs	44,292	30,760	44%	86,185	61,636	40%
Amortization of intangible assets	\$ 88,664	\$ 94,862	(7)%	\$ 172,968	\$ 189,919	(9)%

Amortization of intangible assets was \$88.7 million for the three months ended June 30, 2025, compared to \$94.9 million for the three months ended June 30, 2024, a decrease of \$6.2 million, or 7%. Amortization of intangible assets was \$173.0 million for the six months ended June 30, 2025, compared to \$189.9 million for the six months ended June 30, 2024, a decrease of \$17.0 million, or 9%. The decrease for both periods was primarily driven by the lower amortization associated with the Livongo trademark, partially offset by an increase in the amortization of capitalized software development costs related to our investment in platforms.

**Depreciation of Property and Equipment.** Depreciation of property and equipment was \$4.3 million for the three months ended June 30, 2025, compared to \$1.7 million for the three months ended June 30, 2024, an increase of \$2.6 million, or 155%. On a year-to-date basis, depreciation of property and equipment was \$7.9 million for the six months ended June 30, 2025, compared to \$4.5 million for the six months ended June 30, 2024, an increase of \$3.4 million, or 74%.

**Interest Income.** Interest income consisted of interest earned on cash and cash equivalents. Interest income was \$10.1 million for the three months ended June 30, 2025, compared to \$13.6 million for the three months ended June 30, 2024. Interest income was \$22.7 million for the six months ended June 30, 2025, compared to \$27.5 million for the six months ended June 30, 2024. The decrease for the three and six months ended June 30, 2025 was driven by lower interest rate yields and a lower average balance of cash and cash equivalents.

**Interest Expense.** Interest expense consisted of interest costs and the amortization of debt discounts primarily associated with the convertible senior notes. Interest expense was \$4.5 million for the three months ended June 30, 2025, compared to \$5.6 million for the three months ended June 30, 2024. Interest expense was \$10.2 million for the six months ended June 30, 2025, compared to \$11.3 million for the six months ended June 30, 2024. The decrease for the three and six months ended June 30, 2025 was driven by the maturation of the Livongo Notes and the 2025 Notes.

**Other Expense (Income), net.** Other expense (income), net was an income of \$8.4 million for the three months ended June 30, 2025, compared to an expense of \$0.6 million for the three months ended June 30, 2024. Other expense (income), net was an income of \$10.8 million for the six months ended June 30, 2025, compared to an expense of \$0.9 million for the six months ended June 30, 2024. The change in both periods primarily reflects the impact of foreign currency exchange rate fluctuations.

**Provision for Income Taxes.** We recorded an income tax benefit of \$7.8 million for the three months ended June 30, 2025 compared to an income tax expense of \$3.9 million for the three months ended June 30, 2024, and an income tax benefit of \$26.0 million for the six months ended June 30, 2025 compared to an income tax expense of \$6.6 million for the six months ended June 30, 2024. The tax benefit in 2025 resulted primarily from a discrete benefit of \$20.1 million related to completion of a research and development tax credit study in the three months ended March 31, 2025 and \$11.1 million from the current year's acquisitions, offset by ordinary tax expense of \$5.0 million. The tax expense in 2024 was primarily due to a shortfall related to stock-based compensation awards that were vested during the year.

## Segment Information

The following tables set forth the results of operations by segment for the three and six months ended June 30, 2025 and 2024 (dollars in thousands):

	Three Months Ended June 30,		Variance	%
	2025	2024		
<b>Integrated Care</b>				
Revenue	\$ 391,510	\$ 377,421	\$ 14,089	4 %
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	126,387	117,645	8,742	7 %
Other segment expenses (1)	207,673	195,748	11,925	6 %
Adjusted EBITDA	\$ 57,450	\$ 64,028	\$ (6,578)	(10)%
Adjusted EBITDA Margin %	14.7%	17.0%		

	Six Months Ended June 30,		Variance	%
	2025	2024		
<b>Integrated Care</b>				
Revenue	\$ 780,978	\$ 754,532	\$ 26,446	4 %
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	257,395	237,958	19,437	8 %
Other segment expenses (1)	415,754	404,872	10,882	3 %
Adjusted EBITDA	\$ 107,829	\$ 111,702	\$ (3,873)	(3)%
Adjusted EBITDA Margin %	13.8%	14.8%		

(1) Other segment expenses includes advertising and marketing expenses, sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

Integrated Care total revenue increased by \$14.1 million, or 4%, to \$391.5 million for the three months ended June 30, 2025 and increased by \$26.4 million, or 4%, to \$781.0 million for the six months ended June 30, 2025. The acquisition of Catapult Health increased Integrated Care total revenue for both the three months ended June 30, 2025 and the six months ended June 30, 2025 by approximately 2 percentage points.

Integrated Care cost of revenue, exclusive of depreciation, amortization, and stock-based compensation, increased by \$8.7 million, or 7%, to \$126.4 million for the three months ended June 30, 2025, and increased by \$19.4 million, or 8%, to \$257.4 million for the six months ended June 30, 2025. For both periods, the increase was primarily driven by higher labor costs, technology costs, and amortization of device costs, partially offset by lower physician costs.

Integrated Care other segment expenses increased by \$11.9 million to \$207.7 million for the three months ended June 30, 2025, and increased by \$10.9 million to \$415.8 million for the six months ended June 30, 2025. The increase for the three months ended June 30, 2025 was primarily driven by higher employee compensation costs, software and infrastructure costs, commissions, and legal and regulatory costs, partially offset by lower redundancy expenses. The increase for the six months ended June 30, 2025 was primarily driven by higher indirect taxes, legal and regulatory costs, professional fees, software and infrastructure costs, and advertising costs, partially offset by lower employee compensation and redundancy expenses.

<b>BetterHelp</b>	<b>Three Months Ended June 30,</b>		<b>Variance</b>	<b>%</b>
	<b>2025</b>	<b>2024</b>		
Therapy Services	\$ 235,403	\$ 259,073	\$ (23,670)	(9)%
Other Wellness Services	4,987	5,950	(963)	(16)%
<b>Total Revenue</b>	<b>240,390</b>	<b>265,023</b>	<b>(24,633)</b>	<b>(9)%</b>
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	63,643	69,100	(5,457)	(8)%
Advertising and marketing, exclusive of stock-based compensation	134,292	135,708	(1,416)	(1)%
Other segment expenses (1)	30,594	34,762	(4,168)	(12)%
<b>Adjusted EBITDA</b>	<b>\$ 11,861</b>	<b>\$ 25,453</b>	<b>\$ (13,592)</b>	<b>(53)%</b>
<b>Adjusted EBITDA Margin %</b>	<b>4.9 %</b>	<b>9.6%</b>		

<b>BetterHelp</b>	<b>Six Months Ended June 30,</b>		<b>Variance</b>	<b>%</b>
	<b>2025</b>	<b>2024</b>		
Therapy Services	\$ 469,841	\$ 522,785	\$ (52,944)	(10)%
Other Wellness Services	10,450	11,258	(808)	(7)%
<b>Total Revenue</b>	<b>480,291</b>	<b>534,043</b>	<b>(53,752)</b>	<b>(10)%</b>
Cost of revenue, exclusive of depreciation, amortization, and stock-based compensation	128,891	141,931	(13,040)	(9)%
Advertising and marketing, exclusive of stock-based compensation	267,264	282,705	(15,441)	(5)%
Other segment expenses (1)	64,561	68,488	(3,927)	(6)%
<b>Adjusted EBITDA</b>	<b>\$ 19,575</b>	<b>\$ 40,919</b>	<b>\$ (21,344)</b>	<b>(52)%</b>
<b>Adjusted EBITDA Margin %</b>	<b>4.1%</b>	<b>7.7%</b>		

(1) Other segment expenses includes sales expenses, technology and development expenses, and general and administrative expenses, each exclusive of stock-based compensation.

BetterHelp total revenue decreased by \$24.6 million, or 9%, to \$240.4 million for the three months ended June 30, 2025, and decreased by \$53.8 million, or 10%, to \$480.3 million for the six months ended June 30, 2025, driven by a 5% and a 4% decrease in average monthly paying users in the respective periods.

BetterHelp cost of revenue, exclusive of depreciation, amortization, and stock-based compensation, decreased by \$5.5 million, or 8%, to \$63.6 million for the three months ended June 30, 2025, and decreased by \$13.0 million, or 9%, to \$128.9 million for the six months ended June 30, 2025. For both periods, the decrease was primarily driven by lower therapist costs.

BetterHelp advertising and marketing, exclusive of stock-based compensation, decreased by \$1.4 million, or 1%, to \$134.3 million for the three months ended June 30, 2025, and decreased by \$15.4 million, or 5%, to \$267.3 million for the six months ended June 30, 2025, primarily reflecting lower spending on digital and media advertising, partially offset by higher professional fees.

BetterHelp other segment expenses decreased by \$4.2 million, or 12%, to \$30.6 million for the three months ended June 30, 2025, and decreased by \$3.9 million, or 6%, to \$64.6 million for the six months ended June 30, 2025. The decrease for both periods was primarily driven by lower indirect taxes, credit card processing fees, and occupancy costs, partially offset by higher employee compensation.

**Liquidity and Capital Resources**

The following table presents a summary of our cash flow activity for the six months ended June 30, 2025 and 2024 (in thousands):

<b>Consolidated Statements of Cash Flows - Summary</b>	<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>
Net cash provided by operating activities	\$ 107,351	\$ 97,603
Net cash used in investing activities	(182,964)	(63,260)
Net cash (used in) provided by financing activities	(549,164)	5,556
Effect of foreign currency exchange rate changes	6,071	(1,191)
<b>Total (decrease) increase in cash and cash equivalents</b>	<b>\$ (618,706)</b>	<b>\$ 38,708</b>

Our principal source of liquidity is our cash and cash equivalents, totaling \$679.6 million as of June 30, 2025. We anticipate continuing positive operating cash flows for 2025.

We believe that our existing cash and cash equivalents will be sufficient to meet our working capital, capital expenditure, and contractual obligation needs for at least the next 12 months. Our future capital requirements will depend on many factors including our growth rate, contract renewal activity, number of visits, our ability to retain and/or obtain new members, the timing and extent of spending to support product development efforts, our expansion of sales and marketing activities, the introduction of new and enhanced services offerings, the continuing market acceptance of telehealth, and our debt service obligations. We may in the future enter into arrangements to acquire or invest in additional complementary businesses, services, technologies, and intellectual property rights. We may be required to seek additional equity or debt financing to fund working capital, capital expenditures and acquisitions, and to settle debt obligations. In the event that additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us or at all, which would adversely affect our business, financial condition, and results of operations.

Historically, we have financed our operations primarily through sales of equity securities, debt issuance, and bank borrowings. On July 17, 2025, we entered into a five-year, \$300.0 million revolving credit facility. We entered into the revolving credit facility to preserve and enhance our financial and operational flexibility, and we do not currently anticipate borrowing any amounts under the facility. See Note 17. "Subsequent Events" to the condensed consolidated financial statements for additional information on our revolving credit facility.

We routinely enter into contractual obligations with third parties to provide professional services, licensing, and other products and services in support of our ongoing business. The current estimated cost of these contracts is not expected to be significant to our liquidity and capital resources based on contracts in place as of June 30, 2025.

***Cash from Operating Activities***

Cash flows provided by operating activities consisted of net loss adjusted for certain non-cash items and the cash effect of changes in assets and liabilities. Net cash provided by operating activities was \$107.4 million for the six months ended June 30, 2025 compared to net cash provided by operating activities of \$97.6 million for the six months ended June 30, 2024. The year-over-year change was primarily driven by lower incentive compensation payments.

The primary uses of cash from operating activities are for the payment of cash compensation, provider fees, engagement marketing, direct-to-consumer digital and media advertising, inventory, insurance, technology costs, interest expense and acquisition, integration, and transformation costs. Historically, cash compensation is at its highest level in the first quarter when discretionary employee compensation related to the previous fiscal year is paid.

***Cash from Investing Activities***

Cash used in investing activities was \$183.0 million for the six months ended June 30, 2025, and \$63.3 million for the six months ended June 30, 2024. We paid a total of \$65.3 million, net of cash acquired, to purchase Catapult Health, paid \$29.6 million for the net intangible assets associated with the Uplift acquisition, and paid \$27.0 million to acquire the securities of a private company during the six months ended June 30, 2025. The remaining change drivers primarily related

to lower amounts paid for capitalized software development costs associated with ongoing projects to continuously improve and optimize our products and services.

### ***Cash from Financing Activities***

Cash used in financing activities for the six months ended June 30, 2025 was \$549.2 million and \$5.6 million for the six months ended June 30, 2024, primarily reflecting the repayment of our Livongo Notes and 2025 Notes upon maturity.

### ***Free Cash Flow***

The following is a reconciliation of net cash provided by operating activities to free cash flow (in thousands, unaudited):

	Six Months Ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 107,351	\$ 97,603
Capital expenditures	(3,994)	(3,061)
Capitalized software development costs	(57,824)	(60,199)
Free Cash Flow	\$ 45,533	\$ 34,343

Free cash flow was \$45.5 million for the six months ended June 30, 2025, compared to \$34.3 million for the six months ended June 30, 2024. The year-over-year change was driven by decreases in incentive compensation payments and lower payments for capitalized software development costs, offset by higher capitalized expenditures.

## **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

### ***Interest Rate Risk and Foreign Currency Exchange Risk***

Our cash and cash equivalents are subject to interest rate volatility, which impacts the amount of interest income earned, and represents our principal market risk. A 1% change in interest rates would result in a change of interest income generated from our cash and cash equivalents by approximately \$7.0 million over the next 12 months. We do not expect cash flows related to our convertible senior notes to be affected by a sudden change in market interest rates as they bear fixed interest rates. We do not enter into investments for trading or speculative purposes.

We operate our business primarily within the U.S. which accounts for approximately 83% of our revenues. We have not utilized hedging strategies with respect to our foreign currency exchange exposure, however we may begin to do so.

### ***Concentrations of Risk and Significant Clients***

Our financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. Although we deposit our cash with multiple financial institutions in the U.S. and in foreign countries, our deposits, at times, may exceed federally insured limits. Our cash equivalents are primarily invested in institutional money market funds.

No single Client represented over 10% of consolidated revenues for the three or six months ended June 30, 2025 or 2024. For the Integrated Care segment, a significant portion of our revenue is derived from large enterprises, mainly health plans. Revenue from the five largest customers was 31% of total Integrated Care segment revenue for the six months ended June 30, 2025 and 2024. For further information, see “Risk Factors—Risks Related to Our Business and Industry—We operate in a competitive industry, and if we are not able to compete effectively, our business, financial condition, and results of operations will be harmed,” and “—A significant portion of our revenue comes from a limited number of Clients, the loss of which could have a material adverse effect on our business, financial condition and results of operations” included in our 2024 Form 10-K.

For the BetterHelp segment, there is no significant concentration risk as substantially all revenue is generated from individuals in the direct-to-consumer market.

**Item 4. Controls and Procedures**

***Management's Report on Internal Control over Financial Reporting***

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2025, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As allowed by SEC guidelines, this evaluation excludes the operations of Catapult Health and Uplift, which were acquired during the six months ended June 30, 2025.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

We are subject to legal proceedings, claims and litigation arising in the ordinary course of our business. Descriptions of certain legal proceedings to which we are a party are contained in Note 15. "Commitments and Contingencies," to our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q and are incorporated by reference herein.

### Item 1A. Risk Factors

For a discussion of potential risks and uncertainties related to our Company see the information in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2024. There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2024.

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in the "Special Note Regarding Forward-Looking Statements" section in Part I, Item 2, of this Quarterly Report on Form 10-Q.

### Item 5. Other Information

During the three months ended June 30, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K of the Securities Act of 1933).

**Item 6. Exhibits**

Exhibit Number	Exhibit Description	Exhibit Index				
		Incorporated by Reference				
		Form	File No.	Exhibit	Filing Date	Filed Herewith
3.1	<a href="#">Seventh Amended and Restated Certificate of Incorporation of Teladoc Health, Inc.</a>	8-K	001-37477	3.1	6/2/22	
3.2	<a href="#">Seventh Amended and Restated Bylaws of Teladoc Health, Inc.</a>	10-K	001-37477	3.2	2/23/24	
10.1	<a href="#">First Amendment to Teladoc Health, Inc. 2023 Incentive Award Plan.</a>	8-K	001-37477	10.1	5/22/25	
10.2	<a href="#">Teladoc Health, Inc. 2015 Employee Stock Purchase Plan (as amended and restated effective May 14, 2025).</a>					*
10.3	<a href="#">Credit Agreement, dated July 17, 2025, among Teladoc Health, Inc., JPMorgan Chase Bank, N.A., as administrative agent, issuing bank and swingline lender, and the lenders party thereto.</a>	8-K	001-37477	10.1	7/23/25	
31.1	<a href="#">Chief Executive Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					*
31.2	<a href="#">Chief Financial Officer—Certification pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>					*
32.1	<a href="#">Chief Executive Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					**
32.2	<a href="#">Chief Financial Officer—Certification pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>					**
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.					*
101.SCH	XBRL Taxonomy Extension Schema Document.					*
101.CAL	XBRL Taxonomy Calculation Linkbase Document.					*
101.DEF	XBRL Definition Linkbase Document.					*
101.LAB	XBRL Taxonomy Label Linkbase Document.					*

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101.PRE	XBRL Taxonomy Presentation Linkbase Document.	*
104	Cover Page Interactive Data File – The Cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document	

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\* Filed herewith.

\*\* Furnished herewith.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**TELADOC HEALTH, INC.**

Date: July 30, 2025

By: /s/ CHARLES DIVITA, III  
Name: Charles Divita, III  
Title: Chief Executive Officer

Date: July 30, 2025

By: /s/ MALA MURTHY  
Name: Mala Murthy  
Title: Chief Financial Officer

**TELADOC HEALTH, INC.**  
**2015 EMPLOYEE STOCK PURCHASE PLAN**  
(as amended and restated effective May 14, 2025)

**ARTICLE I. PURPOSE**

The purposes of this Teladoc Health, Inc. 2015 Employee Stock Purchase Plan (as it may be amended or restated from time to time, the “*Plan*”) are to assist Eligible Employees of Teladoc Health, Inc., a Delaware corporation (the “*Company*”), and its Designated Subsidiaries in acquiring a stock ownership interest in the Company pursuant to a plan which is intended to qualify as an “employee stock purchase plan” within the meaning of Section 423(b) of the Code, and to help Eligible Employees provide for their future security and to encourage them to remain in the employment of the Company and its Designated Subsidiaries.

**ARTICLE II. DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates. Masculine, feminine and neuter pronouns are used interchangeably and each comprehends the others.

2.1 “*Administrator*” shall mean the entity or individual(s) conducting the general administration of the Plan as provided in Article XI. The term “Administrator” shall refer to the Committee except as otherwise provided in Article XI.

2.2 “*Applicable Laws*” shall mean the requirements relating to the administration of equity incentive plans under U.S. federal and state securities, tax and other applicable laws, rules and regulations, the applicable rules of any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws and rules of any foreign country or other jurisdiction where rights under this Plan are granted.

2.3 “*Board*” shall mean the Board of Directors of the Company.

2.4 “*Change in Control*” shall mean and include each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of paragraph (c) below) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Exchange Act) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a “person” that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more

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than 50% of the total combined voting power of the Company's securities outstanding immediately after such acquisition; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in Section 2.4(a) or 2.4(c)) whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company's assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this Section 2.4(c)(ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction.

The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto.

2.5 "**Code**" shall mean the Internal Revenue Code of 1986, as amended from time to time, together with the regulations and official guidance promulgated thereunder.

2.6 "**Common Stock**" shall mean the common stock of the Company and such other securities of the Company that may be substituted therefor pursuant to Article VIII.

2.7 "**Company**" shall mean Teladoc Health, Inc., a Delaware corporation.

2.8 “**Compensation**” of an Eligible Employee shall mean the gross base compensation received by such Eligible Employee as compensation for services to the Company or any Designated Subsidiary, excluding overtime payments, sales commissions, bonuses, incentive compensation, expense reimbursements, fringe benefits and other special payments.

2.9 “**Designated Subsidiary**” shall mean any Subsidiary designated by the Administrator in accordance with Section 11.3(b).

2.10 “**Effective Date**” shall mean the day prior to the Public Trading Date.

2.11 “**Eligible Employee**” shall mean an Employee: (a) who does not, immediately after any rights under this Plan are granted, own (directly or through attribution) stock possessing 5% or more of the total combined voting power or value of all classes of Common Stock and other stock of the Company, a Parent or a Subsidiary (as determined under Section 423(b)(3) of the Code); (b) whose customary employment is for more than twenty hours per week; and (c) whose customary employment is for more than five months in any calendar year. For purposes of the foregoing clause (a), the rules of Section 424(d) of the Code with regard to the attribution of stock ownership shall apply in determining the stock ownership of an individual, and stock that an Employee may purchase under outstanding options shall be treated as stock owned by the Employee; provided, however, that the Administrator may provide in an Offering Document that an Employee shall not be eligible to participate in an Offering Period if: (i) such Employee is a highly compensated employee within the meaning of Section 423(b)(4)(D) of the Code; and/or (ii) such Employee has not met a service requirement designated by the Administrator pursuant to Section 423(b)(4)(A) of the Code (which service requirement may not exceed two years), and/or (iii) such Employee is a citizen or resident of a foreign jurisdiction and the grant of a right to purchase Common Stock under the Plan to such Employee would be prohibited under the laws of such foreign jurisdiction or the grant of a right to purchase Common Stock under the Plan to such Employee in compliance with the laws of such foreign jurisdiction would cause the Plan to violate the requirements of Section 423 of the Code, as determined by the Administrator in its sole discretion; provided, further, that any exclusion in clauses (i), (ii) or (iii) shall be applied in an identical manner under each Offering Period to all Employees, in accordance with Treasury Regulation Section 1.423-2(e).

2.12 “**Employee**” shall mean any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company or any Designated Subsidiary. “Employee” shall not include any director of the Company or a Designated Subsidiary who does not render services to the Company or a Designated Subsidiary as an employee within the meaning of Section 3401(c) of the Code. For purposes of the Plan, the employment relationship shall be treated as continuing intact while the individual is on sick leave or other leave of absence approved by the Company or Designated Subsidiary and meeting the requirements of Treasury Regulation Section 1.421-1(h)(2). Where the period of leave exceeds three (3) months and the individual’s right to reemployment is not guaranteed either by statute or by contract, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3)-month period.

2.13 “**Enrollment Date**” shall mean the first Trading Day of each Offering Period.

2.14 “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended from time to time.

2.15 “**Fair Market Value**” means, as of any date, the value of Common Stock determined as follows: (i) if the Common Stock is listed on any established stock exchange, its Fair Market Value will be the closing sales price for such Common Stock as quoted on such exchange for such date, or if no sale occurred on such date, the last day preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; (ii) if the Common Stock is not traded on a stock exchange but is quoted on a national market or other quotation system, the closing sales price on such date, or if no sales occurred on such date, then on the last date preceding such date during which a sale occurred, as reported in The Wall Street Journal or another source the Administrator deems reliable; or (iii) without an established market for the Common Stock, the Administrator will determine the Fair Market Value in its discretion.

2.16 “**Offering Document**” shall have the meaning given to such term in Section 4.1.

2.17 “**Offering Period**” shall have the meaning given to such term in Section 4.1.

2.18 “**Parent**” shall mean any corporation, other than the Company, in an unbroken chain of corporations ending with the Company if, at the time of the determination, each of the corporations other than the Company owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

2.19 “**Participant**” shall mean any Eligible Employee who has executed a subscription agreement and been granted rights to purchase Common Stock pursuant to the Plan.

2.20 “**Plan**” shall mean this Teladoc Health, Inc. 2015 Employee Stock Purchase Plan, as it may be amended from time to time.

2.21 “**Public Trading Date**” shall mean the first date upon which Common Stock is listed (or approved for listing) upon notice of issuance on any securities exchange or designated (or approved for designation) upon notice of issuance as a national market security on an interdealer quotation system.

2.22 “**Purchase Date**” shall mean the last Trading Day of each Offering Period.

2.23 “**Purchase Price**” shall mean the purchase price designated by the Administrator in the applicable Offering Document (which purchase price shall not be less than 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower); provided, however, that, in the event no purchase price is designated by the Administrator in the applicable Offering Document, the purchase price for the Offering Periods covered by such Offering Document shall be 85% of the Fair Market Value of a Share on the Enrollment Date or on the Purchase Date, whichever is lower; provided, further, that the Purchase Price may be adjusted by the Administrator pursuant to Article VIII and shall not be less than the par value of a Share.

2.24 “*Securities Act*” shall mean the Securities Act of 1933, as amended from time to time.

2.25 “*Share*” shall mean a share of Common Stock.

2.26 “*Subsidiary*” shall mean any corporation, other than the Company, in an unbroken chain of corporations beginning with the Company if, at the time of the determination, each of the corporations other than the last corporation in an unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain; provided, however, that a limited liability company or partnership may be treated as a Subsidiary to the extent either (a) such entity is treated as a disregarded entity under Treasury Regulation Section 301.7701-3(a) by reason of the Company or any other Subsidiary that is a corporation being the sole owner of such entity, or (b) such entity elects to be classified as a corporation under Treasury Regulation Section 301.7701-3(a) and such entity would otherwise qualify as a Subsidiary.

2.27 “*Trading Day*” shall mean a day on which national stock exchanges in the United States are open for trading.

### ARTICLE III. SHARES SUBJECT TO THE PLAN

3.1 Number of Shares. Subject to Article VIII, the aggregate number of Shares that may be issued from the Effective Date pursuant to rights granted under the Plan shall be 4,113,343 Shares. If any right granted under the Plan shall for any reason terminate without having been exercised, the Common Stock not purchased under such right shall again become available for issuance under the Plan.

3.2 Stock Distributed. Any Common Stock distributed pursuant to the Plan may consist, in whole or in part, of authorized and unissued Common Stock, treasury stock or Common Stock purchased on the open market.

### ARTICLE IV. OFFERING PERIODS; OFFERING DOCUMENTS

4.1 Offering Periods. The Administrator may from time to time grant or provide for the grant of rights to purchase Common Stock under the Plan to Eligible Employees during one or more periods (each, an “*Offering Period*”) selected by the Administrator. The terms and conditions applicable to each Offering Period shall be set forth in an “*Offering Document*” adopted by the Administrator, which Offering Document shall be in such form and shall contain such terms and conditions as the Administrator shall deem appropriate and shall be incorporated by reference into and made part of the Plan and shall be attached hereto as part of the Plan. The provisions of separate Offering Periods under the Plan need not be identical.

4.2 Offering Documents. Each Offering Document with respect to an Offering Period shall specify (through incorporation of the provisions of this Plan by reference or otherwise):

- (a) the length of the Offering Period, which period shall not exceed twenty-seven months;
- (b) the maximum number of Shares that may be purchased by any Eligible Employee during such Offering Period, which, in the absence of a contrary designation by the Administrator, shall be 25,000 Shares;
- (c) such other provisions as the Administrator determines are appropriate, subject to the Plan.

#### **ARTICLE V. ELIGIBILITY AND PARTICIPATION**

5.1 Eligibility. Any Eligible Employee who shall be employed by the Company or a Designated Subsidiary on a given Enrollment Date for an Offering Period shall be eligible to participate in the Plan during such Offering Period, subject to the requirements of this Article V and the limitations imposed by Section 423(b) of the Code.

#### 5.2 Enrollment in Plan.

(a) Except as otherwise set forth in an Offering Document or determined by the Administrator, an Eligible Employee may become a Participant in the Plan for an Offering Period by delivering a subscription agreement to the Company by such time prior to the Enrollment Date for such Offering Period (or such other date specified in the Offering Document) designated by the Administrator and in such form as the Company provides.

(b) Each subscription agreement shall designate a whole percentage of such Eligible Employee's Compensation to be withheld by the Company or the Designated Subsidiary employing such Eligible Employee on each payday during the Offering Period as payroll deductions under the Plan. An Eligible Employee may designate any whole percentage of Compensation that is not less than 1% and not more than the maximum percentage specified by the Administrator in the applicable Offering Document (which percentage shall be 15% in the absence of any such designation) as payroll deductions. The payroll deductions made for each Participant shall be credited to an account for such Participant under the Plan and shall be deposited with the general funds of the Company.

(c) A Participant may increase or decrease the percentage of Compensation designated in his or her subscription agreement, subject to the limits of this Section 5.2, or may suspend his or her payroll deductions, at any time during an Offering Period; provided, however, that the Administrator may limit the number of changes a Participant may make to his or her payroll deduction elections during each Offering Period in the applicable Offering Document (and in the absence of any specific designation by the Administrator, a Participant shall be allowed one change to his or her payroll deduction elections during each Offering Period). Any

such change or suspension of payroll deductions shall be effective with the first full payroll period following five business days after the Company's receipt of the new subscription agreement (or such shorter or longer period as may be specified by the Administrator in the applicable Offering Document). In the event a Participant suspends his or her payroll deductions, such Participant's cumulative payroll deductions prior to the suspension shall remain in his or her account and shall be applied to the purchase of Shares on the next occurring Purchase Date and shall not be paid to such Participant unless he or she withdraws from participation in the Plan pursuant to Article VII.

(d) Except as otherwise set forth in an Offering Document or determined by the Administrator, a Participant may participate in the Plan only by means of payroll deduction and may not make contributions by lump sum payment for any Offering Period.

5.3 Payroll Deductions. Except as otherwise provided in the applicable Offering Document, payroll deductions for a Participant shall commence on the first payroll following the Enrollment Date and shall end on the last payroll in the Offering Period to which the Participant's authorization is applicable, unless sooner terminated by the Participant as provided in Article VII or suspended by the Participant or the Administrator as provided in Section 5.2 and Section 5.6, respectively.

5.4 Effect of Enrollment. A Participant's completion of a subscription agreement will enroll such Participant in the Plan for each subsequent Offering Period on the terms contained therein until the Participant either submits a new subscription agreement, withdraws from participation under the Plan as provided in Article VII or ceases to be an Eligible Employee.

5.5 Limitation on Purchase of Common Stock. An Eligible Employee may be granted rights under the Plan only if such rights, together with any other rights granted to such Eligible Employee under "employee stock purchase plans" of the Company, any Parent or any Subsidiary, as specified by Section 423(b)(8) of the Code, do not permit such employee's rights to purchase stock of the Company or any Parent or Subsidiary to accrue at a rate that exceeds \$25,000 of the fair market value of such stock (determined as of the first day of the Offering Period during which such rights are granted) for each calendar year in which such rights are outstanding at any time. This limitation shall be applied in accordance with Section 423(b)(8) of the Code.

5.6 Suspension of Payroll Deductions. Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 5.5 or the other limitations set forth in this Plan, a Participant's payroll deductions may be suspended by the Administrator at any time during an Offering Period. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares by reason of Section 423(b)(8) of the Code, Section 5.5 or the other limitations set forth in this Plan shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

5.7 Foreign Employees. In order to facilitate participation in the Plan, the Administrator may provide for such special terms applicable to Participants who are citizens or residents of a foreign jurisdiction, or who are employed by a Designated Subsidiary outside of the United States, as the Administrator may consider necessary or appropriate to accommodate differences in local

law, tax policy or custom. Such special terms may not be more favorable than the terms of rights granted under the Plan to Eligible Employees who are residents of the United States. Moreover, the Administrator may approve such supplements to, or amendments, restatements or alternative versions of, this Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of this Plan as in effect for any other purpose. No such special terms, supplements, amendments or restatements shall include any provisions that are inconsistent with the terms of this Plan as then in effect unless this Plan could have been amended to eliminate such inconsistency without further approval by the stockholders of the Company.

5.8 Leave of Absence. Unless otherwise determined by the Administrator, upon the commencement of a leave of absence approved by the Company and meeting the requirements of Treasury Regulation Section 1.421-1(h)(2) under the Code, a Participant's payroll deductions under this Plan shall cease to be made. Such Participant's payroll deductions under this Plan shall resume upon the end of such leave of absence unless the Participant instructs the Company otherwise pursuant to the requirements of this Plan.

## **ARTICLE VI. GRANT AND EXERCISE OF RIGHTS**

6.1 Grant of Rights. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period shall be granted a right to purchase the maximum number of Shares specified under Section 4.2, subject to the limits in Section 5.5, and shall have the right to buy, on each Purchase Date during such Offering Period (at the applicable Purchase Price), such number of whole Shares as is determined by dividing (a) such Participant's payroll deductions accumulated prior to such Purchase Date and retained in the Participant's account as of the Purchase Date, by (b) the applicable Purchase Price (rounded down to the nearest Share). The right shall expire on the last day of the Offering Period.

6.2 Exercise of Rights. On each Purchase Date, each Participant's accumulated payroll deductions and any other additional payments specifically provided for in the applicable Offering Document will be applied to the purchase of whole Shares, up to the maximum number of Shares permitted pursuant to the terms of the Plan and the applicable Offering Document, at the Purchase Price. No fractional Shares shall be issued upon the exercise of rights granted under the Plan, unless the Offering Document specifically provides otherwise. Any cash in lieu of fractional Shares remaining after the purchase of whole Shares upon exercise of a purchase right shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date, unless a carry forward is approved by the Administrator for an Offering Period in a manner consistent with Applicable Laws. Shares issued pursuant to the Plan may be evidenced in such manner as the Administrator may determine and may be issued in certificated form or issued pursuant to book-entry procedures.

6.3 Pro Rata Allocation of Shares. If the Administrator determines that, on a given Purchase Date, the number of Shares with respect to which rights are to be exercised may exceed (a) the number of Shares that were available for issuance under the Plan on the Enrollment Date of the applicable Offering Period, or (b) the number of Shares available for issuance under the Plan on such Purchase Date, the Administrator may in its sole discretion provide that the

Company shall make a pro rata allocation of the Shares available for purchase on such Enrollment Date or Purchase Date, as applicable, in as uniform a manner as shall be practicable and as it shall determine in its sole discretion to be equitable among all Participants for whom rights to purchase Common Stock are to be exercised pursuant to this Article VI on such Purchase Date, and shall either (i) continue all Offering Periods then in effect, or (ii) terminate any or all Offering Periods then in effect pursuant to Article IX. The Company may make pro rata allocation of the Shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional Shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date. The balance of the amount credited to the account of each Participant that has not been applied to the purchase of Shares shall be paid to such Participant in one lump sum in cash as soon as reasonably practicable after the Purchase Date.

6.4 Withholding. At the time a Participant's rights under the Plan are exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of, the Participant must make adequate provision for the Company's federal, state, or other tax withholding obligations, if any, that arise upon the exercise of the right or the disposition of the Common Stock. At any time, the Company may, but shall not be obligated to, withhold from the Participant's compensation the amount necessary for the Company to meet applicable withholding obligations.

6.5 Conditions to Issuance of Common Stock. The Company shall not be required to issue or deliver any certificate or certificates for, or make any book entries evidencing, Shares purchased upon the exercise of rights under the Plan prior to fulfillment of all of the following conditions:

- (a) The admission of such Shares to listing on all stock exchanges, if any, on which the Common Stock is then listed; and
- (b) The completion of any registration or other qualification of such Shares under any state or federal law or under the rulings or regulations of the Securities and Exchange Commission or any other governmental regulatory body, that the Administrator shall, in its absolute discretion, deem necessary or advisable; and
- (c) The obtaining of any approval or other clearance from any state or federal governmental agency that the Administrator shall, in its absolute discretion, determine to be necessary or advisable; and
- (d) The payment to the Company of all amounts that it is required to withhold under federal, state or local law upon exercise of the rights, if any; and
- (e) The lapse of such reasonable period of time following the exercise of the rights as the Administrator may from time to time establish for reasons of administrative convenience.

## ARTICLE VII. WITHDRAWAL; CESSATION OF ELIGIBILITY

7.1 Withdrawal. A Participant may withdraw all but not less than all of the payroll deductions credited to his or her account and not yet used to exercise his or her rights under the Plan at any time by giving written notice to the Company in a form acceptable to the Company no later than one week prior to the end of the Offering Period. All of the Participant's payroll deductions credited to his or her account during an Offering Period shall be paid to such Participant as soon as reasonably practicable after receipt of notice of withdrawal and such Participant's rights for the Offering Period shall be automatically terminated, and no further payroll deductions for the purchase of Shares shall be made for such Offering Period. If a Participant withdraws from an Offering Period, payroll deductions shall not resume at the beginning of the next Offering Period unless the Participant delivers to the Company a new subscription agreement.

7.2 Future Participation. A Participant's withdrawal from an Offering Period shall not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or a Designated Subsidiary or in subsequent Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

7.3 Cessation of Eligibility. Upon a Participant's ceasing to be an Eligible Employee for any reason, he or she shall be deemed to have elected to withdraw from the Plan pursuant to this Article VII and the payroll deductions credited to such Participant's account during the Offering Period shall be paid to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 12.4, as soon as reasonably practicable, and such Participant's rights for the Offering Period shall be automatically terminated.

## ARTICLE VIII. ADJUSTMENTS UPON CHANGES IN STOCK

8.1 Changes in Capitalization. Subject to Section 8.3, in the event that the Administrator determines that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), Change in Control, reorganization, merger, amalgamation, consolidation, combination, repurchase, recapitalization, liquidation, dissolution, or sale, transfer, exchange or other disposition of all or substantially all of the assets of the Company, or sale or exchange of Common Stock or other securities of the Company, issuance of warrants or other rights to purchase Common Stock or other securities of the Company, or other similar corporate transaction or event, as determined by the Administrator, affects the Common Stock such that an adjustment is determined by the Administrator to be appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended by the Company to be made available under the Plan or with respect to any outstanding purchase rights under the Plan, the Administrator shall make equitable adjustments, if any, to reflect such change with respect to (a) the aggregate number and type of Shares (or other securities or property) that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1 and the limitations established in each Offering Document pursuant to Section 4.2 on the maximum number of Shares that may be purchased); (b) the class(es) and number of shares and

price per Share subject to outstanding rights; and (c) the Purchase Price with respect to any outstanding rights.

8.2 Other Adjustments. Subject to Section 8.3, in the event of any transaction or event described in Section 8.1 or any unusual or nonrecurring transactions or events affecting the Company, any affiliate of the Company, or the financial statements of the Company or any affiliate (including without limitation any Change in Control), or of changes in Applicable Law or accounting principles, the Administrator, in its discretion, and on such terms and conditions as it deems appropriate, is hereby authorized to take any one or more of the following actions whenever the Administrator determines that such action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any right under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles:

(a) To provide for either (i) termination of any outstanding right in exchange for an amount of cash, if any, equal to the amount that would have been obtained upon the exercise of such right had such right been currently exercisable or (ii) the replacement of such outstanding right with other rights or property selected by the Administrator in its sole discretion;

(b) To provide that the outstanding rights under the Plan shall be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar rights covering the stock of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

(c) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding rights under the Plan and/or in the terms and conditions of outstanding rights and rights that may be granted in the future;

(d) To provide that Participants' accumulated payroll deductions may be used to purchase Common Stock prior to the next occurring Purchase Date on such date as the Administrator determines in its sole discretion and the Participants' rights under the ongoing Offering Period(s) shall be terminated; and

(e) To provide that all outstanding rights shall terminate without being exercised.

8.3 No Adjustment Under Certain Circumstances. No adjustment or action described in this Article VIII or in any other provision of the Plan shall be authorized to the extent that such adjustment or action would cause the Plan to fail to satisfy the requirements of Section 423 of the Code.

8.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of shares of stock of any class, the payment of any dividend, any increase or decrease in the number of shares of stock of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Administrator under the Plan, no issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, shall affect, and no adjustment by reason thereof

shall be made with respect to, the number of Shares subject to outstanding rights under the Plan or the Purchase Price with respect to any outstanding rights.

**ARTICLE IX.  
AMENDMENT, MODIFICATION AND TERMINATION**

9.1 Amendment, Modification and Termination. The Administrator may amend, suspend or terminate the Plan at any time and from time to time; provided, however, that approval of the Company's stockholders shall be required to amend the Plan to: (a) increase the aggregate number, or change the type, of shares that may be sold pursuant to rights under the Plan under Section 3.1 (other than an adjustment as provided by Article VIII); (b) change the corporations or classes of corporations whose employees may be granted rights under the Plan; or (c) change the Plan in any manner that would cause the Plan to no longer be an "employee stock purchase plan" within the meaning of Section 423(b) of the Code.

9.2 Certain Changes to Plan. Without stockholder consent and without regard to whether any Participant rights may be considered to have been adversely affected, to the extent permitted by Section 423 of the Code, the Administrator shall be entitled to change the Offering Periods, limit the frequency and/or number of changes in the amount withheld from the Participant's Compensation during an Offering Period, establish the exchange ratio applicable to amounts withheld from the Participant's Compensation in a currency other than U.S. dollars, permit payroll withholding in excess of the amount designated by a Participant in a properly completed subscription agreement in order to adjust for delays or mistakes in the Company's processing of payroll withholding elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Compensation, and establish such other limitations or procedures as the Administrator determines in its sole discretion to be advisable that are consistent with the Plan.

9.3 Actions In the Event of Unfavorable Financial Accounting Consequences. In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify or amend the Plan to reduce or eliminate such accounting consequence including, but not limited to:

- (a) altering the Purchase Price for any Offering Period including an Offering Period underway at the time of the change in Purchase Price;
- (b) shortening any Offering Period so that the Offering Period ends on a new Purchase Date, including an Offering Period underway at the time of the Administrator action; and
- (c) allocating Shares.

Such modifications or amendments shall not require stockholder approval or the consent of any Participant.

9.4 Payments Upon Termination of Plan. Upon termination of the Plan, the balance in each Participant's Plan account shall be refunded as soon as practicable after such termination, without any interest thereon.

#### ARTICLE X. TERM OF PLAN

The Plan shall be effective on the Effective Date. The effectiveness of the Plan shall be subject to approval of the Plan by the stockholders of the Company within twelve months following the date the Plan is first approved by the Board. No right may be granted under the Plan prior to such stockholder approval. No rights may be granted under the Plan during any period of suspension of the Plan or after termination of the Plan.

#### ARTICLE XI. ADMINISTRATION

##### 11.1 Administrator.

(a) Unless otherwise determined by the Board, the Administrator of the Plan shall be the Compensation Committee of the Board (or another committee or a subcommittee of the Board to which the Board delegates administration of the Plan) (such committee, the "*Committee*"). The Board may at any time vest in the Board any authority or duties for administration of the Plan.

(b) The Committee may delegate any or all of its authority and obligations as Administrator under this Plan to such committee or committees (including without limitation, a committee of the Board or sub-committee of the Committee) or officer(s) of the Company as they may designate.

(c) Nothing in the Plan shall be deemed to authorize the Administrator to take any action contrary to Applicable Laws.

11.2 Action by the Administrator. Unless otherwise established by the Board or in any charter of the Administrator, a majority of the Administrator shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present and, subject to Applicable Law and the Bylaws of the Company, acts approved in writing by a majority of the Administrator in lieu of a meeting, shall be deemed the acts of the Administrator. Each member of the Administrator is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other Employee, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

11.3 Authority of Administrator. The Administrator shall have the power, subject to, and within the limitations of, the express provisions of the Plan:

(a) To determine when and how rights to purchase Common Stock shall be granted and the provisions of each offering of such rights (which need not be identical).

(b) To designate from time to time which Subsidiaries of the Company shall be Designated Subsidiaries, which designation may be made without the approval of the stockholders of the Company.

(c) To construe and interpret the Plan and rights granted under it, and to establish, amend and revoke rules and regulations for its administration. The Administrator, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it shall deem necessary or expedient to make the Plan fully effective.

(d) To amend the Plan as provided in Article IX.

(e) Generally, to exercise such powers and to perform such acts as the Administrator deems necessary or expedient to promote the best interests of the Company and its Subsidiaries and to carry out the intent that the Plan be treated as an “employee stock purchase plan” within the meaning of Section 423 of the Code.

11.4 Decisions Binding. The Administrator’s interpretation of the Plan, any rights granted pursuant to the Plan, any subscription agreement and all decisions and determinations by the Administrator with respect to the Plan are final, binding, and conclusive on all parties.

## ARTICLE XII. MISCELLANEOUS

12.1 Restriction upon Assignment. A right granted under the Plan shall not be transferable other than by will or the applicable laws of descent and distribution, and is exercisable during the Participant’s lifetime only by the Participant. Except as provided in Section 12.4 hereof, a right under the Plan may not be exercised to any extent except by the Participant. The Company shall not recognize and shall be under no duty to recognize any assignment or alienation of the Participant’s interest in the Plan, the Participant’s rights under the Plan or any rights thereunder.

12.2 Rights as a Stockholder. With respect to Shares subject to a right granted under the Plan, a Participant shall not be deemed to be a stockholder of the Company, and the Participant shall not have any of the rights or privileges of a stockholder, until such Shares have been issued to the Participant or his or her nominee following exercise of the Participant’s rights under the Plan. No adjustments shall be made for dividends (ordinary or extraordinary, whether in cash securities, or other property) or distribution or other rights for which the record date occurs prior to the date of such issuance, except as otherwise expressly provided herein or as determined by the Administrator.

12.3 Interest. No interest shall accrue on the payroll deductions or contributions of a Participant under the Plan.

12.4 Death of Participant. In the event of a Participant’s death subsequent to a Purchase Date on which the Participant’s rights are exercised but prior to delivery to such Participant of such Shares and cash, or with respect to any cash to be delivered from the Participant’s account

under the Plan in the event of such Participant's death prior to exercise of the Participant's rights under the Plan, then the Company shall deliver such Shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such Shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

12.5 Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan shall be deemed to have been duly given when received in the form specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

12.6 Equal Rights and Privileges. Subject to Section 5.7, all Eligible Employees will have equal rights and privileges under this Plan so that this Plan qualifies as an "employee stock purchase plan" within the meaning of Section 423 of the Code. Subject to Section 5.7, any provision of this Plan that is inconsistent with Section 423 of the Code will, without further act or amendment by the Company, the Board or the Administrator, be reformed to comply with the equal rights and privileges requirement of Section 423 of the Code.

12.7 Use of Funds. All payroll deductions received or held by the Company under the Plan may be used by the Company for any corporate purpose, and the Company shall not be obligated to segregate such payroll deductions.

12.8 Reports. Statements of account shall be given to participating Eligible Employees at least annually, which statements shall set forth the amounts of payroll deductions, the Purchase Price, the number of Shares purchased and the remaining cash balance, if any.

12.9 No Employment Rights. Nothing in the Plan shall be construed to give any person (including any Eligible Employee or Participant) the right to remain in the employ of the Company or any Parent or Subsidiary or affect the right of the Company or any Parent or Subsidiary to terminate the employment of any person (including any Eligible Employee or Participant) at any time, with or without cause.

12.10 Notice of Disposition of Shares. Each Participant shall give prompt notice to the Company of any disposition or other transfer of any Shares purchased upon exercise of a right under the Plan if such disposition or transfer is made: (a) within two years from the Enrollment Date of the Offering Period in which the Shares were purchased or (b) within one year after the Purchase Date on which such Shares were purchased. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the Participant in such disposition or other transfer.

12.11 Governing Law. The Plan and any agreements hereunder shall be administered, interpreted and enforced under the internal laws of the State of Delaware without regard to conflicts of laws thereof or of any other jurisdiction.

12.12 Electronic Forms. To the extent permitted by Applicable Law and in the discretion of the Administrator, an Eligible Employee may submit any form or notice as set forth herein by means of an electronic form approved by the Administrator. Before the commencement of an Offering Period, the Administrator shall prescribe the time limits within which any such electronic form shall be submitted to the Administrator with respect to such Offering Period in order to be a valid election.

**Certification**

I, Charles Divita, III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “registrant”) for the period ended June 30, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 30, 2025

/s/ CHARLES DIVITA, III

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Charles Divita, III

*Chief Executive Officer*

**Certification**

I, Mala Murthy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “registrant”) for the period ended June 30, 2025;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 30, 2025

/s/ MALA MURTHY

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Mala Murthy

*Chief Financial Officer*

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “Company”) for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Charles Divita, III, Chief Executive Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2025

/s/ CHARLES DIVITA, III

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Charles Divita, III

*Chief Executive Officer*

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Teladoc Health, Inc. (the “Company”) for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Mala Murthy, Chief Financial Officer of the Company, certify, to my knowledge, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 30, 2025

/s/ MALA MURTHY

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Mala Murthy

*Chief Financial Officer*