Safe Harbor Statement

This presentation includes certain forward-looking statements (statements other than solely with respect to historical fact), including statements regarding expectations for the financial performance for 2021 that involve risks and uncertainties regarding HealthStream. These statements are based upon management’s beliefs, as well as assumptions made by and data currently available to management. This information has been, or in the future may be, included in reliance on the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such results or events predicted in these statements may differ materially from actual future events or results. The forward-looking statements are subject to significant uncertainties and other risks referenced in the Company’s Annual Report on Form 10-K and in the Company’s other filings with the Securities and Exchange Commission. Consequently, such forward-looking information should not be regarded as a representation or warranty by the Company that such projections will be realized. Many of the factors that will determine the Company’s future results are beyond the ability of the Company to control or predict. Readers should not place undue reliance on forward-looking statements, which reflect management’s views only as of the date hereof. The Company undertakes no obligation to update or revise any such forward-looking statements.
“High-quality healthcare depends on a highly trained and engaged workforce.”

American Hospital Association, 2019
OUR VISION

To improve the quality of healthcare by developing the people who deliver care.
of employees report that HealthStream’s vision inspires their performance
HealthStream Overview

Nasdaq: HSTM

**MARKET LEADER**
- Most adopted workforce platform among U.S. healthcare providers: subscription-based producing recurring revenues; deployed enterprise-wide
- Largest marketplace of content and applications for healthcare providers in the industry.

**GROWING DEMAND**
Serves highly regulated healthcare industry, which is undergoing significant challenges to improve quality and patient safety, retain and develop their workforce, and adopt new technology-based efficiencies—all amidst tight budgeting realities.

**STRONG FINANCIALS**
- Market Cap: $814.1M (as of 6 May 2021)
- 2020 Revenues: $244.8M; adjusted EBITDA: $46M
- Strong balance sheet: $56.0M cash (as of 1Q 2021); $65M unused credit facility; no debt
- Record quarterly Adjusted EBITDA: $13.6M (as of 1Q 2021)

(All metrics are “approximate.”)
Focused on the Healthcare Industry and its Workforce

$3.6 trillion industry

18% of GDP
Hospital Care = approx. 1/3
Fastest growing sector of U.S. economy

20M+ employees

80% Female
5.2M = Acute care-based
5.3M = Non-Acute care-based
Target Market

Organizations that employ, collectively, approximately 10,500,000 healthcare professionals


Acute Care Employees

Continuum of Care Employees

5,200,000

5,300,000
Healthcare Organizations Use HealthStream Solutions to:

- Meet Compliance Requirements
- Manage Credentialing & Privileging Workforce
- Increase Resuscitation Outcomes
- Optimize Workforce Scheduling
- Manage Talent
- Develop Clinical Workforce
Three Solution Groups Positioned to Leverage PaaS-enabled hStream Platform

Learning and Development (L&P)
- 1Q 2021 Revenues (L&P) up 3% over prior year quarter, outpacing several anticipated headwinds
- Largest library of content offerings and most adopted platform for healthcare, globally

Scheduling and Capacity Management (S&CM)
- New Solution Group formed through three acquisitions in 2020: NurseGrid; ShiftWizard; ANSOS & Capacity Management
- #1 app for Nurses: NurseGrid
- A market leader in scheduling & capacity management

Credentialing and Privileging (C&P)
- 1Q 2021 Revenues (C&P) up 4% over prior year quarter; approx. 390 healthcare organizations contracted for VerityStream application suite, cumulatively
- Market share: over 50%
- Record quarterly sales in 1Q 2021
Compliance Solution

Required OSHA and Joint Commission Training

- Requirement of every employee, every year
- SaaS-based compliance solution
- 3+ year, enterprise-wide contracts
- Solution contains platform, content, and reporting
Critical Validation of Nursing Skills

“...The volume and complexity of what we know has exceeded our individual ability to deliver its benefits correctly, safely, or reliably...”

Atul Gawande
20K+ COURSE LIBRARY

75+ WORLD CLASS PARTNERSHIPS

HealthStream™ Marketplace
Established, Nation-wide Customer Base
Recent Developments to Grow Profitability

MANY CHALLENGES NOW BEHIND US

1. Converting to hStream Subscriptions

   Firm Technology Viability:
   - Approx. 4.34 million hStream subscriptions, as of 1Q 2021

2. Transitioning Customers to New VerityStream Application

   Compelling Product Adoption:
   - Approx. 390 customers on new VerityStream application; sales continue

3. Replacing Existing with New Resuscitation Solutions

   Strong Market Acceptance:
   - Red Cross Suite has customers in all 50 states; Certification accepted
Medical errors have become the third leading cause of death in the U.S. each year, behind cancer and heart disease.

Institute for Healthcare Improvement

**CUSTOMER SPOTLIGHT**

“CredentialStream is a good product! I can see that within the next year, I’m going to be a pro at it and won’t be able to imagine having ever lived without it.”

Shannon Bowden
Contracting and Credentialing Manager, Ideal Option

“4% of nurse managers report that scheduling and staffing problems negatively affect overall staff morale”

Beckers Healthcare

- Real Time Shift Management
- Flexible Schedule Change Workflows
- Complete Department Control
Converting to hStream Subscriptions
hStream is the essential technology working behind the scenes that powers all activity in the HealthStream ecosystem.

LAUNCHED APRIL 30, 2018
4.34 M Subscriptions
Transitoining Customers to New VerityStream Application
Modernizing Credentialing & Privileging

VerityStream

Sy.Med
HealthLine Systems Inc.
MORRISYEY
Credential MyDoc

October 2012
March 2015
August 2016
December 2019
Innovating to Streamline Credentialing Tasks, Leveraging PaaS-enable hStream Platform
Replacing Existing with New Resuscitation Solutions
The New Choice in Advancing Resuscitation Competence
American Red Cross Resuscitation Suite™
LAUNCHED 17 JANUARY 2019

Basic Life Support

Advanced Life Support

Pediatric Advanced Life Support
For Immediate Release:

Community Health Systems Selects American Red Cross Resuscitation Suite™ Program in Enterprise-wide Agreement with HealthStream

NASHVILLE, Tennessee (June 5, 2019) – HealthStream (NASDAQ: HSTM) announced today that CHSPSC, LLC (CHS), an affiliate of Community Health Systems, Inc. (NYSE: CYH), one of the nation’s leading operators of general acute care hospitals, has entered into a seven-year agreement with HealthStream to utilize the American Red Cross Resuscitation Suite™ program, enterprise-wide, for resuscitation skills training and certification, which will be provided through HealthStream’s workforce platform. Concurrently, CHS has joined HealthStream as the founding partner in the HealthStream Resuscitation Innovation Lab to advance knowledge and innovations in resuscitation science for the benefit of the healthcare industry at-large.

"When HealthStream first offered a self-certification model of resuscitation training, CHS was one of the first organizations to adopt and benefit from the program," said Lynn T. Simon, M.D., President of Clinical Operations and Chief Medical Officer of Community Health Systems. "Now it is exciting to switch to HealthStream's newest offering, the American Red Cross Resuscitation Suite™ program, which we believe offers exceptional adaptive learning methodology and newer manikin technology with more effective visual feedback."
$38.8 M
Order Value Accounts, Nationwide
(as of 4Q 2019)

289
Customer Contracts Signed since Launch
(as of 1Q 2021)
High-level Growth Strategies

1. Expand Customer Network; Add new customers

2. Increase the value of each account: Provide more solutions to each customer; Cross-sell

3. Grow new revenue streams via PaaS capabilities

4. Inorganic growth
Case Study in Growth

Michigan-based Health System
38,000 Employees

2006
$1.25
Annual Revenue Per Employee

2021
$33.17
Annual Revenue Per Employee

Video + CE Unlimited + COI Smart + Red Cross + Jane + ANSOS + Morrisey
Case Study in Growth

Georgia-based Health System
23,500 Employees

2013
$13.31
Annual Revenue
Per Employee

2021
$56.13
Annual Revenue
Per Employee

hStream
+ CE Unlimited
+ SafetyQ & KnowledgeQ
+ HCCS Content
+ Red Cross

Content + KnowledgeQ

hStream
Revenue*

($ in millions)

2011-2018 Full-Year revenue metrics adjusted retroactively to exclude PX business.
Adjusted EBITDA*

($ in millions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted EBITDA</th>
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<tbody>
<tr>
<td>2011</td>
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<tr>
<td>2012</td>
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<tr>
<td>Q1 2021</td>
<td>$13.6</td>
</tr>
</tbody>
</table>

* (1) Adjusted EBITDA is a non-GAAP measure. See “Disclaimers: Financial Information.” A reconciliation of Adjusted EBITDA to net income, the corresponding GAAP financial measure, is provided in the Appendix hereto.

(2) 2011-2018 Full-Year Adjusted EBITDA metrics adjusted retroactively to exclude PX business.
Independent Research Coverage

CANACCORD Genuity
Initiated July 2015

CANTOR Fitzgerald
Initiated January 2017

William Blair & Company
Initiated November 2011

Barrington Research
Initiated June 2016

CRAIG-HALLUM CAPITAL GROUP LLC
Initiated October 2010

RAYMOND JAMES
Initiated January 2020
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