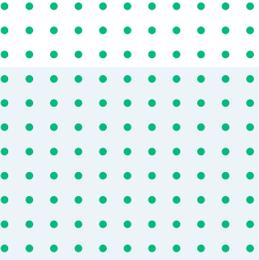


HealthStream™

2021 – Q2 Investor Presentation





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.



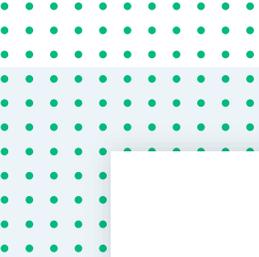
“ High-quality healthcare depends on a highly trained and engaged workforce. ”

American Hospital Association, 2019



OUR VISION

To improve the quality of healthcare by developing the people who deliver care.



HEALTHSTREAM CONSTITUTION

A set of documents embodying the fundamental guidance, principles, and values according to which the Company is governed

HealthStream[™]



96%

of employees report that HealthStream's vision inspires their performance

HealthStream Overview

Nasdaq: HSTM

MARKET LEADER

- Market Leader of workforce solutions for U.S. healthcare providers
- Most adopted workforce platform among U.S. healthcare providers: subscription-based producing recurring revenues; deployed enterprise-wide
- Large and growing marketplace of content and applications for healthcare providers

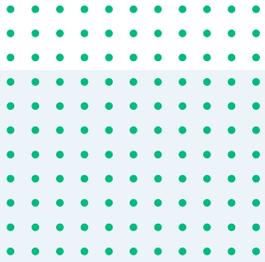
GROWING DEMAND

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: \$939.95M (as of 26 July 2021)
- 2020 Revenues: \$244.8M; adjusted EBITDA: \$46M
- Strong balance sheet: \$55.1M cash (as of 2Q 2021); \$65M unused credit facility; no debt
- Record quarterly Adjusted EBITDA: \$14.5M (as of 2Q 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

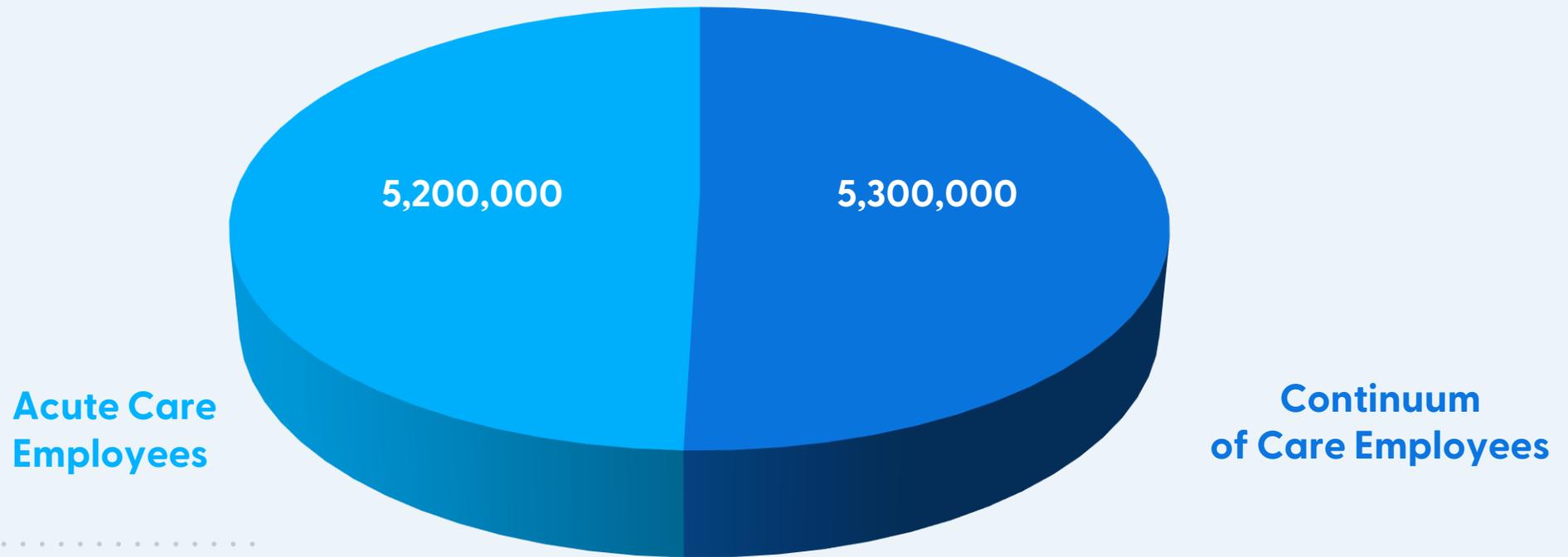
20M+
employees

5.2M = Acute care-based

5.3M = Non-Acute care-based

Target Market

ORGANIZATIONS THAT EMPLOY, COLLECTIVELY, APPROXIMATELY
10,500,000 HEALTHCARE PROFESSIONALS



Source: Bureau of Labor Statistics.

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&D)

- Largest library of content offerings and most adopted platform for healthcare, globally
- A market leader in learning and development



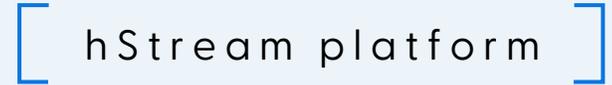
Credentialing and Privileging (C&P)

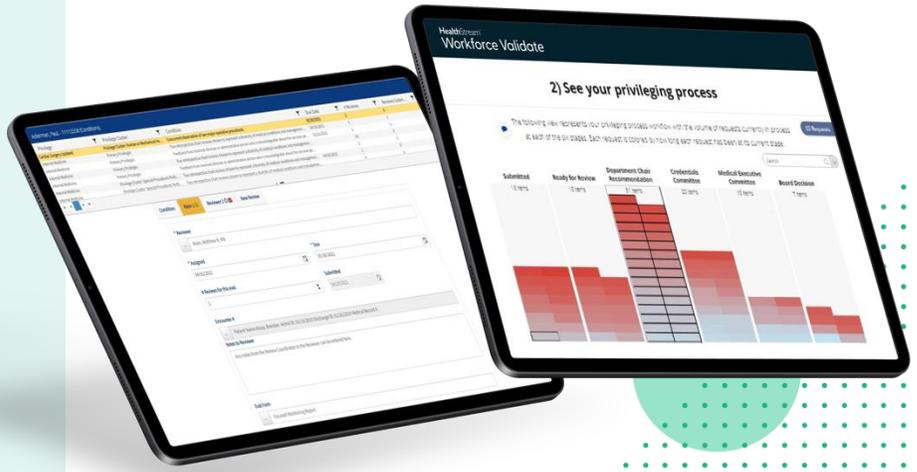
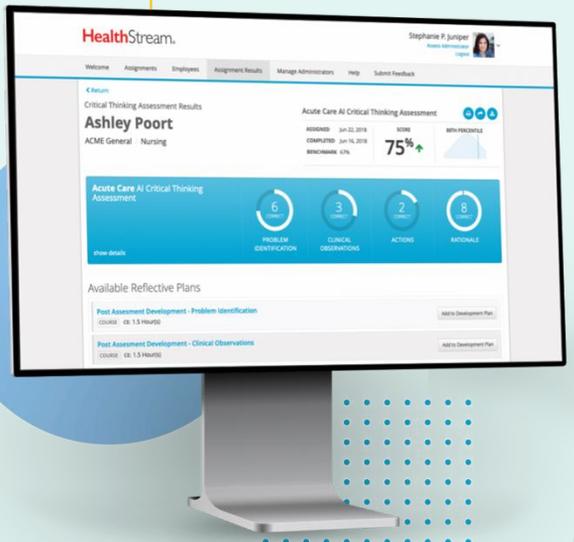
- 2Q 2021 Revenues (C&P) up 8% over prior year quarter; over 400 healthcare organizations contracted for VerityStream application suite, cumulatively
- A market leader in credentialing and privileging



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

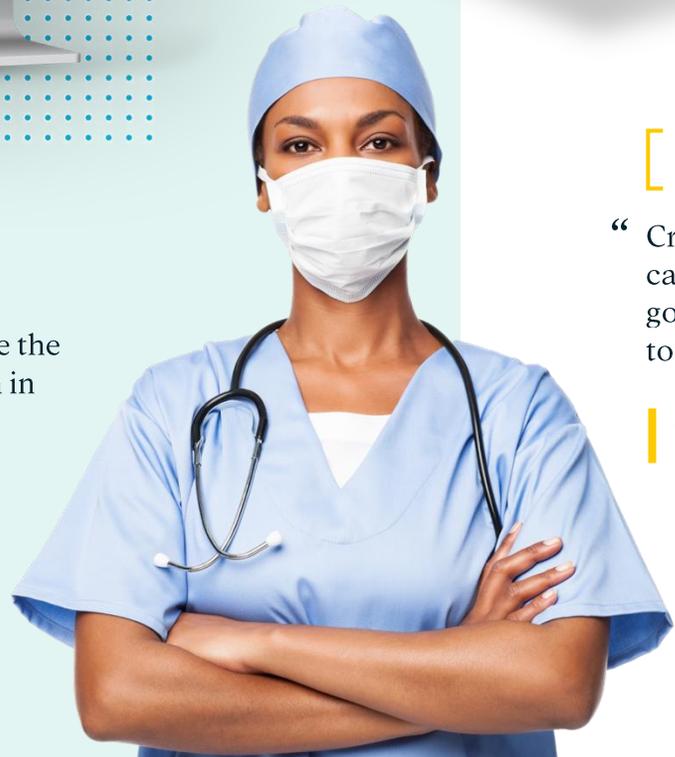




[KEY TAKEAWAY]

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

[CUSTOMER SPOTLIGHT]

“94% of nurse managers report that scheduling and staffing problems negatively affect overall staff morale.”

Beckers Healthcare



Real Time Shift Management



Flexible Schedule Change Workflows

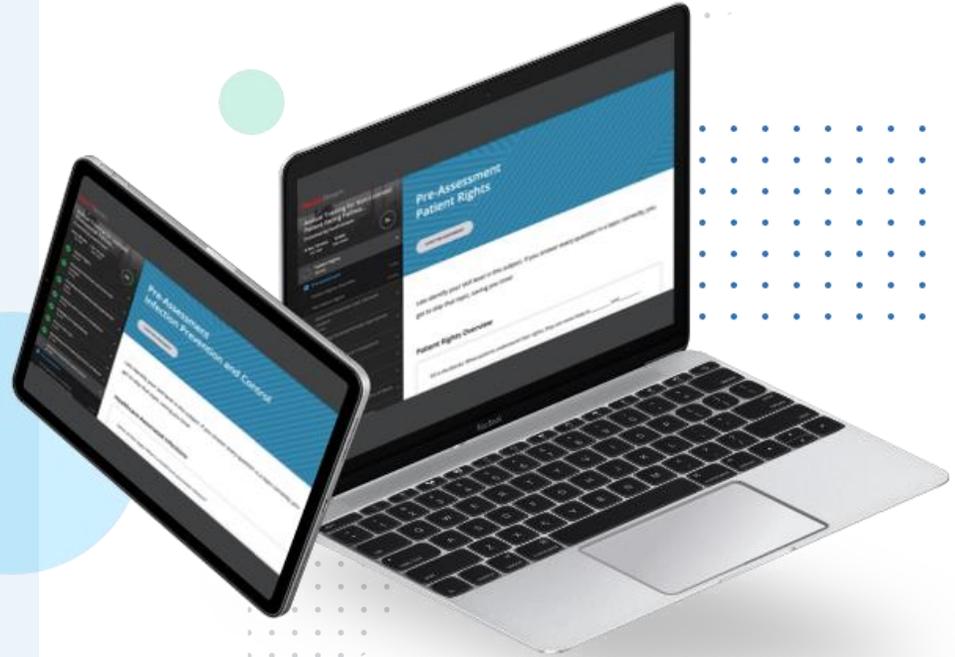


Complete Department Control

KnowledgeQ: Comprehensive 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



Checklist: 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

Step	Description	Met	Unmet	N/A
1	Perform hand hygiene	Met	Unmet	
2	Don personal protective equipment (PPE), if indicated	Met	Unmet	N/A
3	Identify the patient according to facility protocol	Met	Unmet	N/A
4	Establish privacy	Met	Unmet	N/A
5	Introduce self and explain procedure	Met	Unmet	N/A
6	Position the patient for privacy, comfort, and accessibility	Met	Unmet	N/A



75+

WORLD CLASS PARTNERSHIPS

20K+

COURSE LIBRARY

hStream™ | Marketplace

AMERICAN
ASSOCIATION
of CRITICAL-CARE
NURSES

AORN

American Academy
of Pediatrics
DEDICATED TO THE HEALTH OF ALL CHILDREN®

ASCA
Ambulatory Surgery
Center Association

American
Red Cross

AWHONN
PROMOTING THE HEALTH OF
WOMEN AND NEWBORNS

Sigma
GLOBAL NURSING
EXCELLENCE

EBSCO Health

WILL

Skillssoft

PG

FranklinCovey
THE ULTIMATE COMPETITIVE ADVANTAGE

nthrive
education

aacn

echelon

Established, Nation-wide Customer Base



Recent Developments to Grow Profitability

MANY CHALLENGES NOW BEHIND US

1 Converting
to hStream
Subscriptions

**Firm Technology
Viability:**

Approx. 4.52 million
hStream subscriptions,
as of 2Q 2021

2 Transitioning
Customers to New
VerityStream
Application

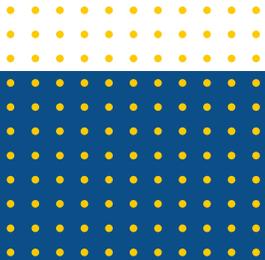
**Compelling Product
Adoption:**

Over 400 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



1

Converting to hStream Subscriptions





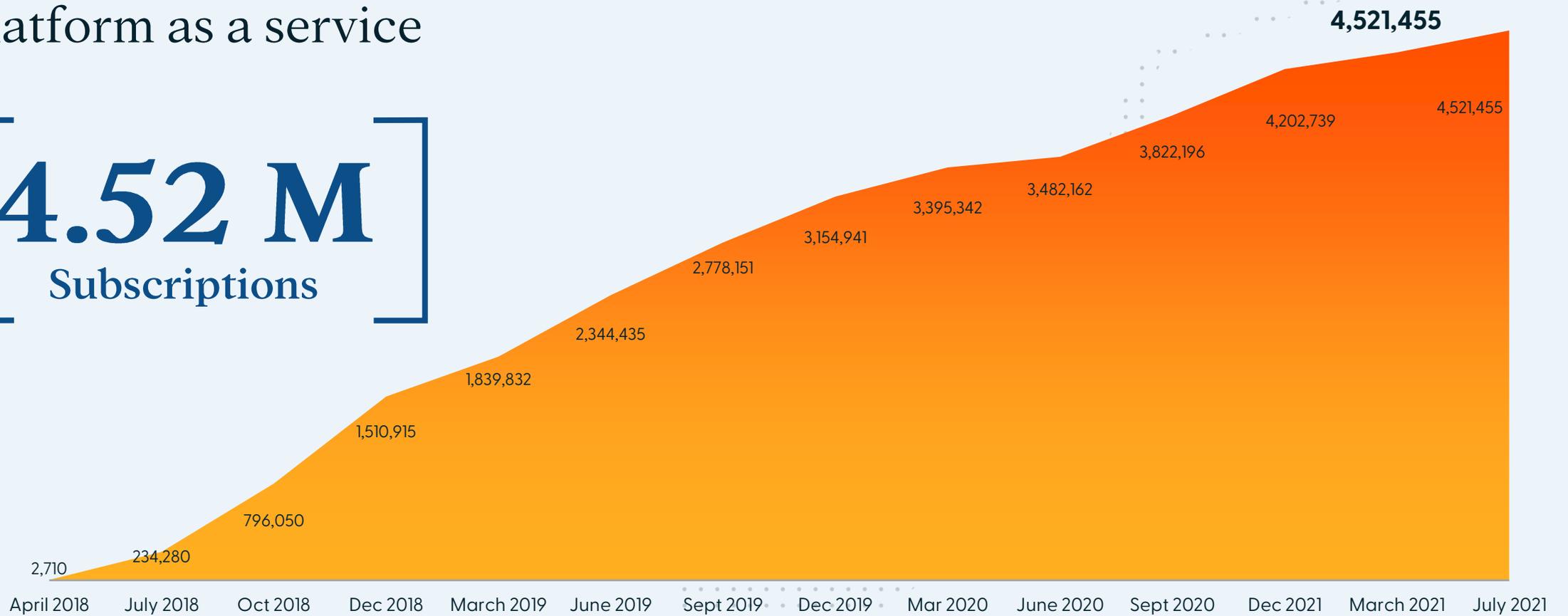
hStream is the essential technology
working behind the scenes that powers all
activity in the HealthStream ecosystem.

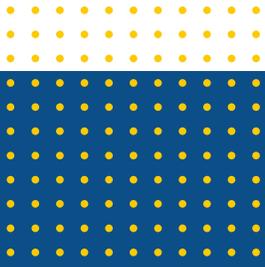
LAUNCHED APRIL 30, 2018



Platform as a service

[4.52 M]
Subscriptions





2 Transitioning Customers to New VerityStream Application



Modernizing Credentialing & Privileging



October 2012



March 2015



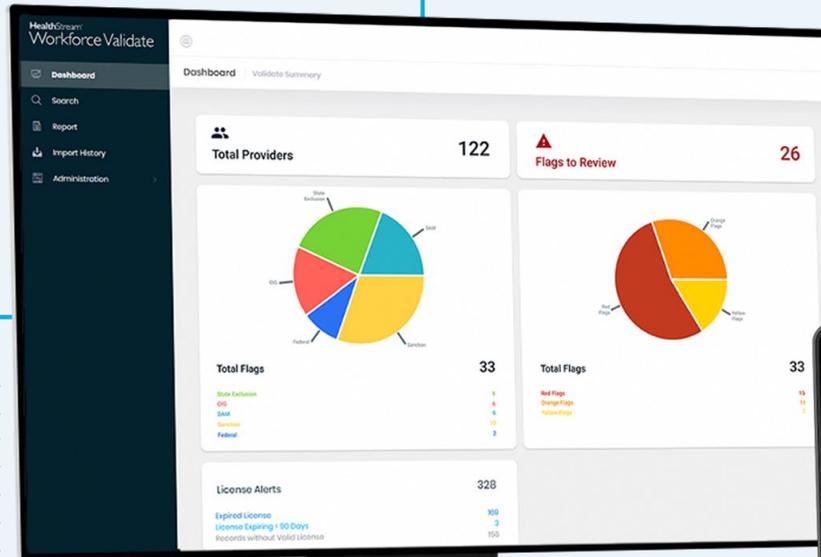
August 2016

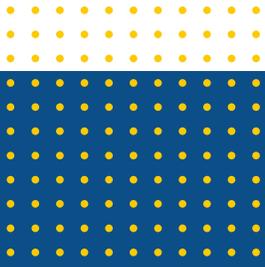


December 2019

CredentialStream: Innovating to Streamline Credentialing Tasks

CredentialStream





3

Replacing Existing with New Resuscitation Solutions



American Red Cross Resuscitation Suite™

Adaptive

Reduce seat time through personalized learning plans

Flexible

Choose your preferred skills practice interval by student group

Easy

Improved tools for leaders and managers to achieve compliance





**American
Red Cross**

Over
500,000
Subscriptions Contracted
(as of 2Q 2021)

P R E S S R E L E A S E

HealthStream™

For Immediate Release:

Contact:

Mollie Condra, Ph.D.

HealthStream

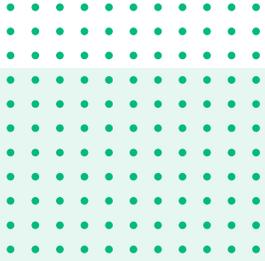
(615)-301-3237

mollie.condra@healthstream.com

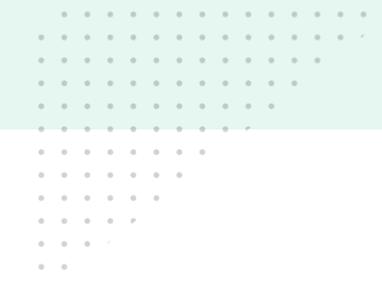
**Prime Healthcare to Implement American Red Cross Resuscitation Suite™,
an Innovative Program Aimed at Increasing Patient Survival from
In-hospital Cardiac Arrest**

Scientifically Advanced Program for Clinical Staff, delivered by HealthStream, Certifies Resuscitation Competency
to Support High Quality and Performance Standards

Nashville, Tennessee (June 15, 2021) – HealthStream (Nasdaq: HSTM), a leading provider for workforce and provider solutions for the healthcare industry, today announced that Prime Healthcare, an award-winning health system operating 46 hospitals and more than 300 outpatient locations in 14 states, with a workforce of nearly 50,000 employees, has selected to use the American Red Cross Resuscitation Suite™ program enterprise-wide by signing a five-year agreement with HealthStream. The full resuscitation skills training and certification program will be offered through HealthStream's workforce platform, adding to the line-up of other clinical development programs currently provided to Prime Healthcare by HealthStream.



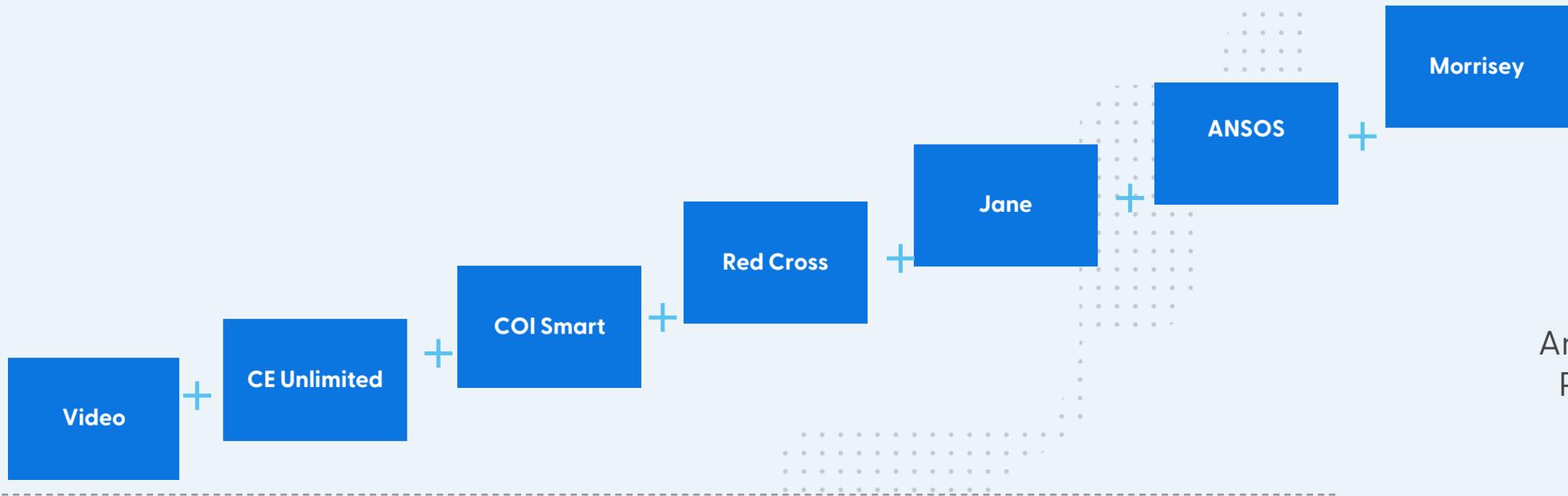
High-level Growth Strategies

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



2021

\$33.17

Annual Revenue
Per Employee

2006

\$1.25

Annual Revenue
Per Employee

Case Study in Growth



Georgia-based Health System
23,500 Employees

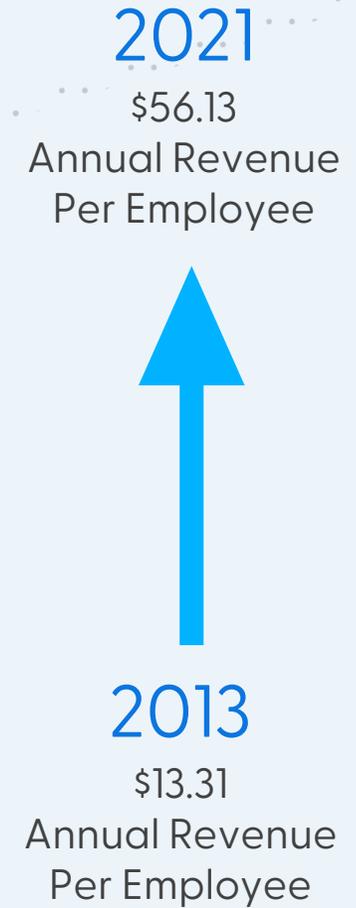
hStream

CE Unlimited

SafetyQ &
KnowledgeQ

HCCS
Content

Red Cross



Revenue*

(\$ in millions)



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

Adjusted EBITDA*

(\$ in millions)



* (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
Pitgerald

Initiated January 2017



CRAIG-HALLUM
CAPITAL GROUP LLC

Initiated October 2010

William Blair & Company

Initiated November 2011

❖ **Barrington Research**

Initiated June 2016

RAYMOND JAMES[®]

Initiated January 2020



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& Communications

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