UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended June 30, 2026

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File No.: 000-27701

HealthStream, Inc.

(Exact name of registrant as specified in its charter)

Tennessee **(State or other jurisdiction of incorporation or organization)**	**62-1443555** **(I.R.S. Employer Identification No.)**
500 11th Avenue North, Suite 850, Nashville, Tennessee **(Address of principal executive offices)**	**37203** **(Zip Code)**

(615) 301-3100
(Registrant's telephone number, including area code)

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (Par Value $0.00)	HSTM	Nasdaq Global Select Market

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 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 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 August 3, 2026, there were 29,239,955 shares of the registrant’s common stock outstanding.

Index to Form 10-Q

HEALTHSTREAM, INC.

PART I. FINANCIAL INFORMATION

Item 1. ***Financial Statements***

HEALTHSTREAM, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands)

	June 30, 2026	December 31, 2025
ASSETS		
Current assets:		
Cash and cash equivalents	$ 46,169	$ 36,161
Marketable securities	20,562	20,843
Accounts receivable, net	31,142	32,153
Accounts receivable - unbilled	5,661	6,845
Prepaid and other current assets	26,687	23,654
Total current assets	130,221	119,656
Property and equipment, net	10,169	10,661
Capitalized software development, net	46,638	45,581
Operating lease right of use assets, net	13,818	15,272
Goodwill	212,727	217,518
Intangibles, net	59,970	64,930
Other assets	48,056	46,756
Total assets	$ 521,599	$ 520,374
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,823	$ 7,769
Accrued royalties	5,114	5,595
Accrued liabilities	11,797	11,166
Accrued compensation	5,919	11,199
Deferred revenue	92,983	88,417
Total current liabilities	122,636	124,146
Deferred tax liabilities	21,952	18,246
Deferred revenue, noncurrent	1,452	1,344
Operating lease liability, noncurrent	13,429	14,684
Other long-term liabilities	5,525	7,931
Commitments and contingencies		
Shareholders' equity:		
Preferred Stock, no par value, 10,000 shares authorized, no shares issued or outstanding	—	—
Common stock, no par value, 75,000 shares authorized; 29,240 and 29,579 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	224,384	231,797
Retained earnings	134,111	123,587
Accumulated other comprehensive loss	(1,890)	(1,361)
Total shareholders' equity	356,605	354,023
Total liabilities and shareholders' equity	$ 521,599	$ 520,374

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

HEALTHSTREAM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenues, net	$ 83,732	$ 74,396	$ 164,935	$ 147,881
Operating costs and expenses:				
Cost of revenues (excluding depreciation and amortization)	29,015	26,364	56,774	51,851
Product development	13,581	12,073	27,187	24,121
Sales and marketing	13,503	11,808	26,463	23,958
General and administrative	8,037	7,398	16,039	16,066
Depreciation and amortization	11,275	10,867	22,640	21,621
Total operating costs and expenses	75,411	68,510	149,103	137,617
Operating income	8,321	5,886	15,832	10,264
Interest income	475	958	889	1,889
Other (expense) income, net	(100)	23	(204)	(39)
Income before income tax provision	8,696	6,867	16,517	12,114
Income tax provision	2,027	1,478	3,938	2,393
Net income	$ 6,669	$ 5,389	$ 12,579	$ 9,721
Net income per share:				
Basic	$ 0.23	$ 0.18	$ 0.43	$ 0.32
Diluted	$ 0.23	$ 0.18	$ 0.43	$ 0.32
Weighted average shares of common stock outstanding:				
Basic	29,230	30,320	29,303	30,382
Diluted	29,314	30,450	29,369	30,519
Dividends declared per share	$ 0.035	$ 0.031	$ 0.070	$ 0.062

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

HEALTHSTREAM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(In thousands)

	Three Months Ended		Six Months Ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Net income	$ 6,669	$ 5,389	$ 12,579	$ 9,721
Other comprehensive (loss) income, net of taxes:				
Foreign currency translation adjustments	(306)	754	(495)	803
Unrealized loss on marketable securities	(18)	(13)	(34)	(32)
Total other comprehensive (loss) income	(324)	741	(529)	771
Comprehensive income	$ 6,345	$ 6,130	$ 12,050	$ 10,492

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

HEALTHSTREAM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (UNAUDITED)
(In thousands, except per share data)

	Six Months Ended June 30, 2026				
	Common Stock		Retained Earnings	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
	Shares	Amount			
Balance at December 31, 2025	29,579	$ 231,797	$ 123,587	$ (1,361)	$ 354,023
Net income	—	—	5,910	—	5,910
Comprehensive loss	—	—	—	(205)	(205)
Dividends declared on common stock ($0.035 per share)	—	—	(1,028)	—	(1,028)
Stock-based compensation	—	1,309	—	—	1,309
Common stock issued under stock plans, net of shares withheld for employee taxes	68	(582)	—	—	(582)
Excise tax on repurchases of common stock	—	72	—	—	72
Repurchases of common stock	(342)	(7,507)	—	—	(7,507)
Balance at March 31, 2026	29,305	$ 225,089	$ 128,469	$ (1,566)	$ 351,992
Net income	—	—	6,669	—	6,669
Comprehensive loss	—	—	—	(324)	(324)
Dividends declared on common stock ($0.035 per share)	—	—	(1,027)	—	(1,027)
Stock-based compensation	—	1,106	—	—	1,106
Common stock issued under stock plans, net of shares withheld for employee taxes	25	—	—	—	—
Excise tax on repurchases of common stock	—	(12)	—	—	(12)
Repurchases of common stock	(90)	(1,799)	—	—	(1,799)
Balance at June 30, 2026	29,240	$ 224,384	$ 134,111	$ (1,890)	$ 356,605

	Six Months Ended June 30, 2025				
	Common Stock		Retained Earnings	Accumulated Other Comprehensive (Loss)/Income	Total Shareholders' Equity
	Shares	Amount			
Balance at December 31, 2024	30,432	$ 252,432	$ 108,972	$ (2,049)	$ 359,355
Net income	—	—	4,332	—	4,332
Comprehensive income	—	—	—	30	30
Dividends declared on common stock ($0.031 per share)	—	—	(943)	—	(943)
Stock-based compensation	—	1,104	—	—	1,104
Common stock issued under stock plans, net of shares withheld for employee taxes	93	(1,070)	—	—	(1,070)
Balance at March 31, 2025	30,525	$ 252,466	$ 112,361	$ (2,019)	$ 362,808
Net income	—	—	5,389	—	5,389
Comprehensive income	—	—	—	741	741
Dividends declared on common stock ($0.031 per share)	—	—	(946)	—	(946)
Stock-based compensation	—	836	—	—	836
Common stock issued under stock plans, net of shares withheld for employee taxes	22	(5)	—	—	(5)
Excise tax on repurchases of common stock	—	(135)	—	—	(135)
Repurchases of common stock	(650)	(18,121)	—	—	(18,121)
Balance at June 30, 2025	29,897	$ 235,041	$ 116,804	$ (1,278)	$ 350,567

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

HEALTHSTREAM, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended June 30,	
	2026	**2025**
OPERATING ACTIVITIES:		
Net income	$ 12,579	$ 9,721
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,640	21,621
Stock-based compensation	2,415	1,940
Amortization of deferred commissions	6,872	6,017
Provision for credit losses	222	391
Deferred income taxes	3,724	467
Loss on equity method investments	66	107
Other	(356)	(776)
Changes in operating assets and liabilities:		
Accounts and unbilled receivables	1,944	3,465
Prepaid royalties	(126)	261
Other prepaid expenses and other current assets	(2,525)	(1,989)
Other assets	(5,989)	(8,596)
Accounts payable and accrued expenses	(5,031)	(3,858)
Accrued royalties	(481)	(366)
Deferred revenue	4,613	3,692
Net cash provided by operating activities	40,567	32,097
INVESTING ACTIVITIES:		
Cash paid for acquisitions	(312)	—
Proceeds from maturities of marketable securities	23,300	26,073
Purchases of marketable securities	(22,693)	(26,100)
Purchases of other investments	(2,600)	(500)
Payments associated with capitalized software development	(14,251)	(14,500)
Purchases of property and equipment	(1,650)	(3,372)
Net cash used in investing activities	(18,206)	(18,399)
FINANCING ACTIVITIES:		
Taxes paid related to net settlement of equity awards	(582)	(1,075)
Payment of earn-outs related to acquisitions	(401)	
Payment of cash dividends	(2,055)	(1,890)
Repurchases of common stock	(9,306)	(18,121)
Net cash used in financing activities	(12,344)	(21,086)
Effect of exchange rate changes on cash and cash equivalents	(9)	21
Net increase (decrease) in cash and cash equivalents	10,008	(7,367)
Cash and cash equivalents at beginning of period	36,161	59,469
Cash and cash equivalents at end of period	$ 46,169	$ 52,102
NONCASH INVESTING AND FINANCING ACTIVITIES:		
Purchases of property and equipment, accrued but not paid	$ 208	$ 87
Capitalized software development, accrued but not paid	$ 923	$ 611

See accompanying Notes to the unaudited Condensed Consolidated Financial Statements.

HEALTHSTREAM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. OVERVIEW AND BASIS OF PRESENTATION

Company Overview

HealthStream primarily provides Software-as-a-Service ("SaaS") based applications for healthcare organizations—all designed to improve business and clinical outcomes by supporting the people who deliver patient care. The Company is focused on helping individuals and organizations in healthcare meet their ongoing learning, clinical development, credentialing, and scheduling needs, whether through the Company's enterprise applications or emerging career networks. The Company also provides its solutions to nursing schools and nursing students.

The Company is organized and operated according to its One HealthStream approach, with its hStream technology platform at the center of that approach. Increasingly, SaaS-based applications in the Company's diverse ecosystem of solutions utilize the Company's proprietary hStream technology platform to enhance the value proposition for customers by creating interoperability with and among other applications. We believe that our single platform strategy, as represented by hStream, is the best way to realize our mission of improving the quality of care by developing the people who deliver care and the best way to create value for our shareholders in the process. As used in this Quarterly Report on Form 10-Q (“Form 10-Q”), “HealthStream,” “Company,” “we,” “us,” and “our” mean HealthStream, Inc. and its subsidiaries, unless the context indicates otherwise.

Basis of Presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, condensed consolidated financial statements do not include all of the information and footnotes required by US GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. All intercompany transactions have been eliminated in consolidation and certain prior period amounts have been reclassified to conform to the current period presentation. Operating results for the three and six months ended June 30, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026.

The Condensed Consolidated Balance Sheet at December 31, 2025 was derived from the audited Consolidated Financial Statements at that date but does not include all of the information and footnotes required by US GAAP for a complete set of financial statements. For further information, refer to the Consolidated Financial Statements and Notes thereto for the year ended December 31, 2025 (included in the Company's Annual Report on Form 10-K, filed with the Securities and Exchange Commission on February 26, 2026).

Business Segment

The Company’s chief operating decision maker ("CODM") is its Chief Executive Officer. The Company’s business is organized and managed around a consolidated, enterprise approach, including with regard to technology, operations, accounting, internal reporting (including the nature of information reviewed by the CODM), organization structure, compensation, performance assessment, and resource allocation. The Company’s CODM uses consolidated net income to make operating decisions, assess financial performance, and allocate resources. Further, the CODM reviews and utilizes functional expenses (cost of revenues, product development, sales and marketing, general and administrative, and depreciation and amortization) at the consolidated level to manage the Company's operations. Other segment items included in consolidated net income are interest income, other expense, net, and income tax provision, which are reflected in the Condensed Consolidated Statements of Income. Expenditures for additions to long-lived assets for the consolidated entity were $24.2 million and $23.2 million for the six months ended June 30, 2026 and 2025, respectively.

Non-Marketable Equity Investments

The aggregate carrying amounts of non-marketable equity investments accounted for using the measurement alternative for equity investments that do not have readily determinable fair values were $3.0 million and $1.5 million as of June 30, 2026 and December 31, 2025, respectively, which the Company evaluates for impairment at each reporting period. Cumulatively, there have been no adjustments recorded due to changes in the fair value of the non-marketable equity investments the Company held as of June 30, 2026. The fair value of non-marketable equity investments is not estimated if there are no identified events or changes in circumstances that may have a significant adverse effect on the fair value of the investment.

Fair Value Measurement

In connection with the acquisitions of Total Clinical Placement System ("TCPS") in October 2024, The Clinical Hub, Inc. ("The Clinical Hub") in November 2024, Virsys12, LLC ("Virsys12") in October 2025, and MissionCare Collective LLC ("MissionCare") in December 2025, a portion of the purchase price payable by the Company was in the form of contingent consideration. During the three and six months ended June 30, 2026 and 2025, the Company recorded contingent consideration liabilities representing the estimated fair value of future earnout payments to the former owners of such entities in connection with these acquisitions, contingent upon the achievement of specified revenue milestones. The contingent consideration liability is remeasured to fair value each reporting period, with changes recognized in general and administrative expense in the Condensed Consolidated Statements of Income. The Company classifies this liability within Level 3 of the fair value hierarchy because the valuation relies on significant unobservable inputs. As of June 30, 2026, the Company's ending balance contained liabilities related to TCPS, Virsys12, and MissionCare.

Contingent Consideration	2026	2025
Balance at January 1	6,450	535
Purchases / Initial recognition	(2,300)	
Total (gains) losses:		
Included in earnings		
Included in other comp income		
Payments		
Balance at March 31	$ 4,150	$ 535
Purchases / Initial recognition		
Total (gains) losses:		
Included in earnings	(4)	
Included in other comp income		
Payments	(401)	
Balance at June 30	$ 3,745	$ 535

2. RECENT ACCOUNTING PRONOUNCEMENTS

In November 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses*, which requires disclosure of disaggregated information about specific categories underlying certain income statement expense line items in the footnotes to the financial statements for both annual and interim periods. This ASU is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of the adoption of this standard.

In July 2025, the FASB issued ASU 2025-05, *Measurement of Credit Loss for Accounts Receivable and Contract Assets*. The ASU provides a practical expedient for the calculation of current expected credit losses for current accounts receivable and contract assets, allowing entities to assume that current conditions as of the balance sheet date will persist through the forecast period. The Company adopted the ASU effective January 1, 2026 on a prospective basis and elected the practical expedient for the calculation of current expected credit losses. The adoption did not have a material impact on the Company's allowance for doubtful accounts.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*, to modernize the accounting guidance for the costs to develop software for internal use. The standard applies to costs incurred to develop or obtain software for internal use. ASU 2025-06 amends the existing standard that refers to various stages of a software development project to align better with current software development methods, such as agile development. Under the new standard, entities will commence capitalizing eligible costs when (i) management has authorized and committed to funding the software project, and (ii) it is probable that the project will be completed and the software will be used to perform the function intended. The new standard also supersedes the guidance related to costs incurred to develop a website. ASU 2025-06 is effective for annual periods beginning after December 15, 2027. The guidance can be applied on a prospective basis, a modified basis for in-process projects, or on a retrospective basis. The Company is currently evaluating the impact of this accounting standard on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, which clarifies the guidance in Topic 270 to improve the consistency of interim financial reporting. The standard provides a comprehensive list of required interim disclosures and introduces a disclosure principle requiring entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. ASU 2025-11 is effective for fiscal years beginning after December 15, 2027, including interim periods within those fiscal years, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2025-11.

3. REVENUE RECOGNITION

Revenues are recognized when control of the promised goods or services is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for transferring those goods or services. Revenue is recognized based on the following five step model:

- Identification of the contract with a customer
- Identification of the performance obligations in the contract
- Determination of the transaction price
- Allocation of the transaction price to the performance obligations in the contract
- Recognition of revenue when, or as, the Company satisfies a performance obligation

The following table represents revenues disaggregated by revenue source (in thousands). Sales taxes are excluded from revenues.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Subscription services	$ 79,986	$ 71,941	$ 158,377	$ 142,730
Professional services	3,746	2,455	6,558	5,151
Total revenues, net	$ 83,732	$ 74,396	$ 164,935	$ 147,881

For the three months ended June 30, 2026 and 2025, the Company recognized $0.1 million and $0.2 million in impairment losses on receivables and contract assets arising from the Company's contracts with customers, respectively. For the six months ended June 30, 2026 and 2025, the Company recognized $0.2 million and $0.4 million in impairment losses on receivables and contract assets arising from the Company's contracts with customers, respectively.

During the three months ended June 30, 2026 and 2025, the Company recognized revenues of $51.1 million and $49.1 million, respectively, from amounts included in deferred revenue at the beginning of the respective periods. During the six months ended June 30, 2026 and 2025, the Company recognized revenues of $69.0 million and $69.1 million, respectively, from amounts included in deferred revenue at the beginning of the respective periods. As of June 30, 2026, approximately $685 million of revenue is expected to be recognized from remaining performance obligations under contracts with customers. The Company expects to recognize revenue related to approximately 40% of these remaining performance obligations over the next 12 months, 68% over the next 24 months, and 85% over the next 36 months, with the remaining amounts recognized thereafter.

4. INCOME TAXES

Income taxes are accounted for using the asset and liability method, whereby deferred tax assets and liabilities are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities measured at tax rates that will be in effect for the year in which the differences are expected to affect taxable income. The Company computes its interim period provision for income taxes by applying the estimated annual effective tax rate to year-to-date pretax income or loss and adjusts the provision for discrete tax items recorded in the period. The Company’s effective tax rate was 24% and 20% for the six months ended June 30, 2026 and 2025, respectively. The Company’s effective tax rate primarily reflects the statutory corporate income tax rate, the net effect of state taxes, foreign income taxes, the effect of various permanent tax differences, and recognition of discrete tax items.

5. SHAREHOLDERS' EQUITY AND STOCK-BASED COMPENSATION

Dividends on Common Stock

During the six months ended June 30, 2026, the Company's Board of Directors (“Board”) declared the following quarterly dividends under the Company's dividend policy (in thousands, except per share data):

Dividend Payment Date	Dividend Declaration Date	Dividend Per Share	Record Date	Cash Outlay
March 20, 2026	February 23, 2026	$ 0.035	March 9, 2026	$ 1,028
May 29, 2026	May 4, 2026	$ 0.035	May 18, 2026	$ 1,027

Additionally, on August 3, 2026, the Board declared a quarterly cash dividend of $0.035 per share, payable on August 28, 2026 to holders of record on August 17, 2026.

Stock Option Activity

A summary of stock option activity for the three months ended June 30, 2026 is as follows (in thousands, except weighted-average exercise price).

	Common Shares	Weighted-Average Exercise Price	Aggregate Intrinsic Value
Outstanding at beginning of period	233	$ 22.54	
Granted	38	23.96	
Exercised	—	—	
Expired	—	—	
Forfeited	(3)	23.93	
Outstanding at end of period	268	$ 22.73	$ 1,210
Exercisable at end of period	90	$ 20.34	$ 622

The weighted average remaining contractual term of options outstanding at June 30, 2026 was 7.8 years.

Restricted Share Unit Activity

A summary of Restricted Share Unit ("RSU") activity for the three months ended June 30, 2026 is as follows (in thousands, except weighted-average grant date fair value):

	Number of RSU's	Weighted-Average Grant Date Fair Value	Aggregate Intrinsic Value
Outstanding at beginning of period	480	$ 26.34	
Granted	31	24.67	
Vested	(25)	26.20	
Forfeited	(10)	26.82	
Outstanding at end of period	476	$ 26.23	$ 12,980

The aggregate fair value of RSUs that vested during both the three months ended June 30, 2026 and 2025, as of the respective vesting dates, was $0.6 million.

Stock-Based Compensation

Total stock-based compensation expense recognized in the Condensed Consolidated Statements of Income is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Cost of revenues (excluding depreciation and amortization)	$ 51	$ 50	$ 107	$ 103
Product development	239	198	512	428
Sales and marketing	141	109	309	253
General and administrative	675	479	1,487	1,156
Total stock-based compensation expense	$ 1,106	$ 836	$ 2,415	$ 1,940

As of June 30, 2026, total unrecognized compensation expense related to non-vested stock options, RSUs, and performance-based RSUs where the performance criteria has been established was $8.6 million, net of estimated forfeitures, with a weighted average expense recognition period remaining of 2.7 years.

Share Repurchase Plan

On November 11, 2025, the Board approved a share repurchase program under which the Company was authorized to repurchase up to $10.0 million of its outstanding shares of common stock. Pursuant to this authorization, the Company was authorized to make repurchases in the open market, including under Rule 10b5-1 plans, through privately negotiated transactions, or otherwise. The terms of this program provided that it would terminate on the earlier of February 26, 2026 or when the maximum dollar amount had been expended. During the six months ended June 30, 2026, the Company repurchased and subsequently retired 222,978 shares of common stock at an aggregate fair value of $5.0 million under this authorization, reflecting an average price per share of $22.42 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022). This share repurchase program terminated in January 2026 when the maximum dollar amount under this program was expended.

HEALTHSTREAM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

On March 13, 2026, the Company announced the adoption of a new share repurchase program approved by the Board under which the Company is authorized to repurchase up to $10.0 million of its outstanding shares of common stock. Pursuant to this authorization, the Company is authorized to make repurchases in the open market, including under Rule 10b5-1 plans, through privately negotiated transactions, or otherwise. This share repurchase program terminates on the earlier of September 12, 2026 or when the maximum dollar amount under the plan has been expended. During the three months ended June 30, 2026, the Company repurchased and subsequently retired 90,131 shares of common stock at an aggregate fair value of $1.8 million under this authorization, reflecting an average price per share of $19.95 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022). During the six months ended June 30, 2026, the Company repurchased 209,498 shares of common stock at an aggregate fair value of $4.3 million under this authorization, reflecting an average price per share of $20.51 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022).

In the aggregate, during the six months ended June 30, 2026, the Company repurchased 432,476 shares of common stock at an aggregate fair value of $9.3 million under both of the share repurchase programs described above, reflecting an average price per share of $21.50 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022).

6. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net income available to common shareholders for the period by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing the net income available to common shareholders for the period by the weighted average number of potentially dilutive common and common equivalent shares outstanding during the period. Common equivalent shares are composed of incremental common shares issuable upon the exercise of stock options and RSUs subject to vesting. The dilutive effect of common equivalent shares is included in diluted earnings per share by application of the treasury stock method. The total number of common equivalent shares excluded from the calculations of diluted earnings per share, due to their anti-dilutive effect or contingent performance conditions, was approximately 380,000 and 184,000 for the three months ended June 30, 2026 and 2025, respectively, and 394,000 and 145,000 for the six months ended June 30, 2026 and 2025, respectively.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Numerator:				
Net income	$ 6,669	$ 5,389	$ 12,579	$ 9,721
Denominator:				
Weighted-average shares outstanding	29,230	30,320	29,303	30,382
Effect of dilutive shares	84	130	66	137
Weighted-average diluted shares	29,314	30,450	29,369	30,519
Net income per share:				
Basic	$ 0.23	$ 0.18	$ 0.43	$ 0.32
Diluted	$ 0.23	$ 0.18	$ 0.43	$ 0.32

7. MARKETABLE SECURITIES

The fair value of marketable securities, which were all classified as available for sale and which the Company does not intend to sell nor will the Company be required to sell prior to recovery of their amortized cost basis, included the following (in thousands):

	June 30, 2026			
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
Level 2:				
U.S. treasury securities	$ 20,570	$ 1	$ (9)	$ 20,562
Total	$ 20,570	$ 1	$ (9)	$ 20,562

	December 31, 2025			
	Adjusted Cost	Unrealized Gains	Unrealized Losses	Fair Value
Level 2:				
U.S. treasury securities	$ 20,817	$ 26	$ —	$ 20,843
Total	$ 20,817	$ 26	$ —	$ 20,843

The carrying amounts reported in the Condensed Consolidated Balance Sheets approximate fair value based on quoted market prices or alternative pricing sources and models utilizing market observable inputs. As of June 30, 2026 and December 31, 2025, the Company did not recognize any allowance for credit impairments on its available for sale securities. All investments in marketable securities are classified as current assets on the Condensed Consolidated Balance Sheets because the underlying securities mature within one year from the balance sheet date.

8. DEBT

Revolving Credit Facility

On March 13, 2026, the Company entered into the First Amendment (the "First Amendment") to Amended and Restated Revolving Credit Agreement, amending the Amended and Restated Revolving Credit Agreement dated October 6, 2023 (the “Revolving Credit Facility"; the Revolving Credit Facility, as amended by the First Amendment, the "Amended Revolving Credit Facility"). The First Amendment made certain revisions to the restricted payments provision in the Revolving Credit Facility (including to broaden the scope of certain parameters restricting dividends and share repurchases by the Company), and did not otherwise change the terms of the Revolving Credit Facility.

The Revolving Credit Facility amended and restated the revolving credit facility dated as of November 24, 2014, as amended, with certain lenders party thereto from time to time, and Truist, as Administrative Agent for the lenders. Under the Amended Revolving Credit Facility, the Company may borrow up to $50.0 million, which includes a $5.0 million swingline sub-facility and a $5.0 million letter of credit sub-facility, as well as an accordion feature that allows the Company to increase the Amended Revolving Credit Facility by a total of up to $25.0 million, subject to securing additional commitments from existing lenders or new lending institutions. The Amended Revolving Credit Facility has a maturity date of October 6, 2026.

The Company's obligations under the Amended Revolving Credit Facility are unsecured. In addition, if the Company forms or acquires any domestic subsidiaries, the loans and other obligations under the Amended Revolving Credit Facility will be guaranteed by such domestic subsidiaries.

At the Company’s election, the borrowings under the Amended Revolving Credit Facility, other than the swingline loans, bear interest at either (1) a base rate defined as the highest of (a) the rate which the Administrative Agent announces from time to time as its prime lending rate, as in effect from time to time, or (b) the Federal Funds Rate, as in effect from time to time, plus one-half of one percent (0.50%) per annum (any changes in such rates to be effective as of the date of any change in such rate), plus in each case an applicable margin that varies with the company’s funded debt leverage ratio; or (2) a term secured overnight financing rate (“SOFR”) defined as the greater of (a)(i) the forward-looking term rate based on SOFR determined as of the reference time for such interest period with a term equivalent to such interest period plus (ii) a term SOFR adjustment equal to 0.10% per annum and (b) zero, plus, in each case, an applicable margin that varies with the Company’s consolidated total leverage ratio. The Company’s borrowings under the swingline loans bear interest at the base rate plus the applicable margin. The initial applicable margin for base rate loans is 0.50% and the initial applicable margin SOFR loans is 1.50%. The applicable margins will be adjusted quarterly, in each case two (2) business days after the Administrative Agent's receipt of the Company's quarterly financial statements. The Company is also required to pay a commitment fee accruing on the unused revolving commitment, which fee initially is 20 basis points per annum and a letter of credit fee, accruing at a rate per annum equal to the applicable margin for SOFR loans then in effect on the daily average amount of such lender’s letter of credit exposure.

Principal is payable in full at maturity on October 6, 2026, and there are no scheduled principal payments prior to maturity. Interest on base rate loans and swingline loans is payable quarterly in arrears, and interest on SOFR loans is payable at the end of each interest period, and in the case of interest periods longer than three months, on each day which occurs every three months after the initial date of such interest period.

The purpose of the Amended Revolving Credit Facility is for general working capital needs, permitted acquisitions (as defined in the Amended and Restated Revolving Credit Agreement), and for stock repurchase and/or redemption transactions that the Company may authorize.

In addition, the Amended Revolving Credit Facility required the Company to meet certain financial tests, including, without limitation:

- a funded debt leverage ratio (consolidated debt/consolidated EBITDA) of not greater than 3.0 to 1.0; and
- an interest coverage ratio (consolidated EBITDA/consolidated interest expense) of not less than 3.0 to 1.0.

In addition, the Amended Revolving Credit Facility contains certain customary affirmative and negative covenants that, among other things, restrict additional indebtedness, liens and encumbrances, changes to the character of the Company’s business, acquisitions, asset dispositions, mergers and consolidations, sale or discount of receivables, creation or acquisitions of additional subsidiaries, and other matters customarily restricted in such agreements.

As of June 30, 2026, the Company was in compliance with all covenants of the Amended Revolving Credit Facility. There were no balances outstanding on the Amended Revolving Credit Facility as of or during the three and six months ended June 30, 2026.

HEALTHSTREAM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

9. BUSINESS COMBINATIONS

Virsys12

On October 8, 2025, the Company acquired all of the outstanding equity of Virsys12, a Brentwood, Tennessee-based healthcare technology company that offers payers and health plans an innovative provider data management suite used for onboarding, credentialing, and network management. The consideration paid at closing for Virsys12 consisted of approximately $11.4 million payable in cash, after giving effect to customary purchase price adjustments and a post-closing working capital adjustment. In addition, up to an additional $4.0 million in cash may be paid over a three-year period following closing, contingent upon the achievement of certain revenue targets. This acquisition expanded the Company's existing provider data management and credentialing solution for payers and health plan enterprises, called Network by HealthStream™, which is a part of its broader, market-leading Credentialing application suite. The acquisition was accounted for using the acquisition method of business combination under ASC 805. The results of operations for Virsys12 have been included in the Company's Condensed Consolidated Financial Statements from the date of acquisition.

A summary of the purchase price is as follows (in thousands):

Cash	$	11,430
Fair value of contingent consideration		1,000
Total consideration	$	12,430

The following table summarizes the preliminary fair value of the assets acquired and liabilities assumed as of the date of acquisition (in thousands):

Cash	$	741
Accounts and unbilled receivable		72
Prepaid and other current assets		595
Operating lease right-of-use asset		252
Property and equipment		13
Deferred tax assets		529
Goodwill		6,108
Intangible assets		7,050
Accounts payable and accrued liabilities		(926)
Deferred revenue		(2,004)
Net assets acquired	$	12,430

The excess of preliminary purchase price over the preliminary fair values of net tangible and intangible assets is recorded as goodwill. The preliminary fair values of tangible and identifiable intangible assets and liabilities are based on management's estimates and assumptions. The preliminary fair values of assets acquired and liabilities assumed continue to be subject to change during the measurement period (up to one year from the acquisition date) as the Company finalizes the valuation of these items. The primary areas of the preliminary purchase price allocation that are not finalized include the composition and valuation of an indemnification asset and liability related to sales tax attributes, which is preliminarily valued at $0.4 million. The primary intangible asset acquired was developed technology. The fair value estimate for developed technology intangible asset included significant assumptions in the prospective financial information, such as revenue growth, obsolescence factor, EBITDA margin, and discount rate. Additionally, these assumptions are forward looking and could be affected by future economic and market conditions. The goodwill balance is primarily attributed to the assembled workforce, additional market opportunities from offering Virsys12 products, and expected synergies from integrating Virsys12 with other products or other combined functional areas within the Company. The goodwill balance is deductible for U.S. income tax purposes.

The following table sets forth the preliminary components of identifiable intangible assets and their estimated useful lives as of the acquisition date (in thousands):

		Fair value	Useful life
Customer relationships	$	700	10 years
Developed technology		5,900	5 years
Non-compete		250	5 years
Trade name		200	3 years
Total intangible assets subject to amortization	$	7,050	

HEALTHSTREAM, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following unaudited pro forma financial information summarizes the results of operations of the Company and Virsys12 as though the companies were combined as of January 1, 2024 (in thousands, except per share data):

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Total revenues	$ 76,307	$ 151,543
Net income	$ 5,362	$ 9,501
Net income per share - basic	$ 0.18	$ 0.31
Net income per share - diluted	$ 0.18	$ 0.31

These unaudited pro forma combined results of operations include certain adjustments arising from the acquisition, such as amortization of intangible assets, depreciation of property and equipment, and interest expense related to Virsys12's previously outstanding debt. The unaudited pro forma combined results of operations is for informational purposes only and is not indicative of what the Company's results of operations would have been had the transaction occurred as of January 1, 2024 or to project the Company's results of operations in any future period.

MissionCare Collective

On December 15, 2025, the Company acquired all of the outstanding equity of MissionCare, a healthcare workforce company that includes the largest caregiver network in the United States. The consideration paid at closing for MissionCare consisted of approximately $24.9 million payable in cash at closing, after giving effect to customary purchase price adjustments and a post-closing working capital adjustment. In addition, 165,684 shares of HealthStream common stock valued at $4.0 million were issued at closing through a private placement, and up to an additional $10.0 million in cash may be paid over a three-year period following closing, contingent upon the achievement of certain revenue targets. The acquisition was accounted for using the acquisition method of business combination under ASC 805. The results of operations for MissionCare have been included in the Company's Condensed Consolidated Financial Statements from the date of acquisition.

A summary of the purchase price is as follows (in thousands):

Cash	$ 24,880
Common stock issued	4,000
Fair value of contingent consideration	2,700
Total consideration	$ 31,580

The following table summarizes the preliminary fair value of the assets acquired and liabilities assumed as of the date of acquisition (in thousands):

Cash	$ 165
Accounts receivable	601
Prepaid and other current assets	1,046
Deferred tax assets	973
Goodwill	15,262
Intangible assets	18,600
Accounts payable and accrued liabilities	(1,237)
Deferred revenue	(3,830)
Net assets acquired	$ 31,580

The excess of preliminary purchase price over the preliminary fair values of net tangible and intangible assets is recorded as goodwill. The preliminary fair values of tangible and identifiable intangible assets and liabilities are based on management's estimates and assumptions. The preliminary fair values of assets acquired and liabilities assumed continue to be subject to change during the measurement period (up to one year from the acquisition date) as the Company finalizes the valuation of these items. During the six months ended June 30, 2026, the Company recorded adjustments to accounts receivable, deferred tax assets, intangible assets, and contingent consideration based on information received during the period, including from valuation specialists, as well as recorded the post-closing working capital adjustment, which resulted in the Company recording a measurement period adjustment which decreased goodwill by $4.4 million. The measurement period adjustment had an immaterial effect on current or prior period earnings. The primary areas of the preliminary purchase price allocation that are not finalized include the composition and valuation of an indemnification asset and liability related to sales tax attributes, which is preliminarily valued at $1.0 million. The primary intangible assets acquired were customer relationships and developed technology. The fair value estimate for customer relationships intangible asset included significant assumptions regarding prospective financial information with respect to the acquisition, including with respect to revenue growth, customer attrition, EBITDA margin, and the discount rate. The fair value estimate for developed technology intangible asset included significant assumptions, including the estimate of employee hours that would be needed to recreate the technology. Additionally, these assumptions are forward looking and could be affected by future economic and market conditions. The goodwill balance is primarily attributed to the assembled workforce, additional market opportunities arising from offering MissionCare products, and expected synergies from integrating MissionCare with other products or other combined functional areas within the Company. The goodwill balance is deductible for U.S. income tax purposes.

The following table sets forth the preliminary components of identifiable intangible assets and their estimated useful lives as of the acquisition date (in thousands):

	Fair value	Useful life
Customer relationships	$ 9,000	7 years
Developed technology	8,800	5 years
Trade name	800	8 years
Total intangible assets subject to amortization	$ 18,600	

The following unaudited pro forma financial information summarizes the results of operations of the Company and MissionCare as though the companies were combined as of January 1, 2024 (in thousands, except per share data):

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Total revenues	$ 76,802	$ 152,513
Net income	$ 5,508	$ 9,994
Net income per share - basic	$ 0.18	$ 0.33
Net income per share - diluted	$ 0.18	$ 0.33

These unaudited pro forma combined results of operations include certain adjustments arising from the acquisition, such as amortization of intangible assets. The unaudited pro forma combined results of operations is for informational purposes only and is not indicative of what the Company's results of operations would have been had the transaction occurred as of January 1, 2024 or to project the Company's results of operations in any future period.

10. LITIGATION

In connection with its business, the Company is from time to time involved in various legal actions. These legal actions may be subject to significant complexities and uncertainties, some of which are beyond the Company's control, and may allege substantial or indeterminate monetary damages. Based on current information, management does not believe that the ultimate resolution of pending legal matters will have a material adverse effect on the Company's consolidated financial position or liquidity. However, an adverse outcome in one or more pending legal matters could be material to the Company's results of operations or cash flows for any particular reporting period.

The Company accrues for loss contingencies when it is both probable that a loss has been incurred and when the amount of the loss can be reasonably estimated. If a loss or additional loss with respect to material legal matters is reasonably possible and the Company is able to estimate the possible loss or range of loss, the Company discloses the estimate of the possible loss or range of loss, if material and as required. However, the Company may be unable to estimate a possible loss or range of loss in some instances based on the significant uncertainties involved in, and/or the preliminary nature of, certain legal matters.

On May 27, 2026, a putative collective action complaint styled Tanesha Riley v HealthStream, Inc. was filed in the United States District Court for the Middle District of Tennessee. The plaintiff alleges that certain employees in Solution Executive sales roles were misclassified as exempt employees and were not paid overtime in violation of the Fair Labor Standards Act ("FLSA"). The plaintiff seeks back wages, liquidated damages, pre-judgment interest, and attorneys' fees. On July 21, 2026, the Company filed its answer defending against these claims. Because this matter is in its initial discovery phase and is otherwise at an early stage, the Company is unable to estimate a possible loss or range of loss, if any, related to this matter. The Company denies the allegations and intends to defend the matter vigorously.

Item 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Special Cautionary Notice Regarding Forward-Looking Statements

You should read the following discussion and analysis in conjunction with our Condensed Consolidated Financial Statements and related Notes included elsewhere in this Form 10-Q and our audited Consolidated Financial Statements and the Notes thereto for the year ended December 31, 2025, appearing in our Annual Report on Form 10-K that was filed with the Securities and Exchange Commission ("SEC") on February 26, 2026 (the "2025 Form 10-K"). Statements contained in this Form 10-Q that are not historical facts are forward-looking statements that the Company intends to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Statements that are predictive in nature, that depend on or refer to future events or conditions, or that include words such as "anticipates," "believes," "could," "continue," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "projects," "should," "will," "would," and similar expressions are forward-looking statements.

The Company cautions that forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause the Company's actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

In evaluating any forward-looking statement, you should specifically consider the information regarding forward-looking statements set forth above and the risks set forth under the caption Part I, Item 1A. Risk Factors in our 2025 Form 10-K and other disclosures in our 2025 Form 10-K and other filings with the SEC from time to time, as well as other cautionary statements contained elsewhere in this Form 10-Q, including our critical accounting policies and estimates as discussed in this Form 10-Q and our 2025 Form 10-K. We undertake no obligation to update or revise any forward-looking statements. You should read this Form 10-Q with the understanding that our actual future results may be materially different from what we currently expect.

Business Overview

HealthStream primarily provides SaaS based applications for healthcare organizations—all designed to improve business and clinical outcomes by supporting people who deliver patient care. We are focused on helping individuals and organizations in healthcare meet their ongoing learning, clinical development, credentialing, and scheduling needs, through both our enterprise applications and emerging career networks. We also provide our solutions to nursing schools and nursing students.

Our business is managed and organized around a single platform strategy, also referred to as our One HealthStream approach. At the center of this single platform strategy is our hStream technology platform. By enabling our applications through hStream, we believe that stand-alone applications, which already provide a powerful value proposition on their own, are beginning to leverage each other to more efficiently and effectively empower our customers to manage their businesses and improve their outcomes. Further, the Company's internal structure and executive leadership are likewise shaped by the organizing principle of a single platform, including with regard to technology, operations, accounting, internal reporting (including the nature of information reviewed by our key decision makers), organizational structure, compensation, performance assessment, and resource allocation.

Significant financial metrics for the second quarter of 2026 are set forth in the bullets below.

- Revenues of $83.7 million, up 12.5% from $74.4 million in the second quarter of 2025
- Operating income of $8.3 million, up 41.4% from $5.9 million in the second quarter of 2025
- Net income of $6.7 million, up 23.8% from $5.4 million in the second quarter of 2025
- Earnings per share ("EPS") of $0.23 per share (diluted), up from $0.18 per share (diluted) in the second quarter of 2025
- Adjusted EBITDA[1] of $20.6 million, up 16.9% from $17.6 million in the second quarter of 2025

[1] Adjusted EBITDA is a non-GAAP financial measure. A reconciliation of adjusted EBITDA to net income and disclosure regarding why we believe adjusted EBITDA provides useful information to investors is included later in this Form 10-Q.

During the first quarter of 2025, we entered into an agreement to sublease a portion of our office space in the Capitol View building in Nashville, Tennessee to optimize our workforce performance to deliver positive results for customers, employees, and shareholders. HealthStream's corporate headquarters remains in Nashville in the Capitol View building, while we continue to hire new employees both locally and nationally to support our growth. The sublease commenced in April 2025 and will expire in October 2031. We recorded sublease income, net of initial direct cost amortization, of $0.8 million and $1.6 million during the three and six months ended June 30, 2026, respectively. In addition, we expect to record sublease income, net, of approximately $1.6 million during the last six months of 2026 and $3.2 million annually thereafter for the remaining term of the sublease under the caption General and Administrative.

Recent Developments

Macroeconomic and other conditions in the United States that directly or indirectly impact the healthcare industry have been challenging in certain respects, and may continue to be challenging based on recent legislative, regulatory, and other developments and contemplated changes to various policies and regulations. In particular, the federal budget reconciliation legislation enacted on July 4, 2025 includes significant policy changes that may adversely impact healthcare provider organizations, including changes that are expected to decrease access to health insurance and result in significant cuts to federal healthcare spending, particularly within the Medicaid program. While healthcare costs continue to increase, government cuts or reimbursement rate reductions affecting healthcare organizations, evolving tariff and trade policies affecting healthcare-related goods and materials, as well as uncertainty surrounding potential policy, regulatory, and economic shifts, continue to be challenging for our healthcare customers. For example, the enhanced subsidies available for individuals to purchase coverage through Affordable Care Act marketplaces expired on December 31, 2025, increasing coverage costs for many individuals. In addition, the federal budget reconciliation legislation enacted on July 4, 2025 includes significant policy changes, including changes that are expected to decrease access to health insurance and result in significant cuts to federal healthcare spending, particularly within the Medicaid program. Taking into account these developments, the number of individuals with Affordable Care Act marketplace coverage has declined since 2025. We believe that these developments have caused, and may continue to cause, financial pressures among our customers in the healthcare industry that may negatively impact demand for our products and services, particularly in relation to our non-mandatory products and services.

Macroeconomic challenges also persist in the United States in terms of inflationary pressures that have moderated in comparison to certain earlier periods but continue to affect cost structures, ongoing elevated interest rate levels, heightened geopolitical tensions (including as a result of ongoing conflicts in the Middle East), and strained global trade relations. We believe that many of our customers have experienced increased labor, supply chain, capital, and other expenditures associated with recent inflationary pressures. These conditions and challenges impacting the United States economy and our customers in the healthcare industry have adversely affected, and may continue to adversely impact, our business and results of operations.

Key Financial Metrics

Our management utilizes the following financial metrics in connection with managing our business.

- *Revenues, net*. Revenues, net, reflect income generated by the sales of goods and services related to our operations. Revenues, net, were $83.7 million and $164.9 million for the three and six months ended June 30, 2026, compared to $74.4 million and $147.9 million for the three and six months ended June 30, 2025. Management utilizes revenue in connection with managing our business and believes that this metric provides useful information to investors as a key indicator of the growth and success of our products.

- *Net Income*. Net income represents revenues, net, less all expenses. Net income was $6.7 million and $12.6 million for the three and six months ended June 30, 2026, compared to $5.4 million and $9.7 million for the three and six months ended June 30, 2025. Management utilizes net income in connection with managing our business, including with regard to our capital deployment strategies.

- *Adjusted EBITDA*. Adjusted EBITDA, calculated as set forth below under “Reconciliation of Non-GAAP Financial Measures,” is utilized by our management in connection with managing our business and provides useful information to investors because adjusted EBITDA reflects net income adjusted for certain GAAP accounting, non-cash, and/or non-operating items, as more specifically set forth below, which may not fully reflect the underlying operating performance of our business. We also believe that adjusted EBITDA is useful to investors to assess the Company’s ongoing operations. Additionally, certain short-term cash incentive bonuses and performance-based equity award grants are based, in whole or in part, on the achievement of adjusted EBITDA (as defined in applicable bonus and equity grant documentation) targets. Adjusted EBITDA was $20.6 million and $40.7 million for the three and six months ended June 30, 2026, compared to $17.6 million and $33.8 million for the three and six months ended June 30, 2025.

- *Capital Expenditures*. Capital expenditures represent cash payments incurred for purchases of property and equipment and during the development phase for projects to develop software and content. Capital expenditures were $8.4 million and $15.9 million for the three and six months ended June 30, 2026, compared to $9.0 million and $17.9 million for the three and six months ended June 30, 2025. Management utilizes this metric in connection with managing the allocation of capitalized expenditures in which the Company invests related to the development of its products and believes that this metric is a key indicator of investment in products relative to their current and expected performance.

Critical Accounting Policies and Estimates

See Notes to the Consolidated Financial Statements in our 2025 Form 10-K and the Notes to the Condensed Consolidated Financial Statements herein which contain additional information regarding our accounting policies and other disclosures required by US GAAP. There have been no changes in our critical accounting policies and estimates from those reported in our 2025 Form 10-K.

Three Months Ended June 30, 2026 Compared to Three Months Ended June 30, 2025

Revenues, net. Revenues increased $9.3 million, or 13%, to $83.7 million for the three months ended June 30, 2026 from $74.4 million for the three months ended June 30, 2025. Subscription revenues increased by $8.0 million, or 11%, and professional services revenues increased by $1.3 million compared to the second quarter of 2025. Compared to the second quarter of 2025, revenue growth for the second quarter of 2026 was positively impacted by $3.1 million from our acquisitions of Virsys12 and MissionCare completed during the fourth quarter of 2025 and $7.5 million from growth across our existing portfolio solutions, of which $2.0 million related to a variable consideration constraint, which has been resolved and recognized as a cumulative catch-up in accordance with ASC 606 during the second quarter of 2026, partially offset by a $1.3 million reduction from legacy applications.

A comparison of revenues by revenue source is as follows (in thousands):

	Three Months Ended June 30,		
	2026	2025	Percentage Change
Subscription services	$ 79,986	$ 71,941	11%
Professional services	3,746	2,455	53%
Total revenues, net	$ 83,732	$ 74,396	13%
% of Revenues			
Subscription services	96%	97%	
Professional services	4%	3%	

Cost of Revenues (excluding Depreciation and Amortization). Cost of revenues increased $2.7 million, or 10%, to $29.0 million for the three months ended June 30, 2026, from $26.4 million for the three months ended June 30, 2025. Cost of revenues as a percentage of revenues were 35% for both the three months ended June 30, 2026 and 2025. The increase in amount is primarily associated with growth in several areas of our business, resulting in higher third-party software expenses, labor costs, cloud hosting expenses, and royalties expense, coupled with increases in expenses from the Virsys12 and MissionCare acquisitions.

Product Development. Product development expenses increased $1.5 million, or 12%, to $13.6 million for the three months ended June 30, 2026, from $12.1 million for the three months ended June 30, 2025. Product development expenses as a percentage of revenues were 16% for both the three months ended June 30, 2026 and 2025. The increase in expense is primarily due to an increase in labor costs along with increases in expenses from the Virsys12 and MissionCare acquisitions.

Sales and Marketing. Sales and marketing expenses, including personnel costs, increased $1.7 million, or 14%, to $13.5 million for the three months ended June 30, 2026, from $11.8 million for the three months ended June 30, 2025. Sales and marketing expenses as a percentage of revenue were 16% for both the three months ended June 30, 2026 and 2025. The increase in amount is primarily due to increased sales commissions, along with increases in expenses from the Virsys12 and MissionCare acquisitions.

General and Administrative. General and administrative expenses increased $0.6 million, or 9%, to $8.0 million for the three months ended June 30, 2026, from $7.4 million for the three months ended June 30, 2025. General and administrative expenses as a percentage of revenue were 10% for both the three months ended June 30, 2026 and 2025. The increase in amount is primarily due to higher professional services expenses along with increases in expenses from the Virsys12 and MissionCare acquisitions.

Depreciation and Amortization. Depreciation and amortization expense increased $0.4 million, or 4%, to $11.3 million for the three months ended June 30, 2026, from $10.9 million for the three months ended June 30, 2025. This increase in amount is due to increased amortization associated with capitalized software coupled with increased amortization associated with the acquired intangibles from Virsys12 and MissionCare.

Interest Income. Interest income was $0.5 million and $1.0 million for the three months ended June 30, 2026 and 2025, respectively. This decrease is a result of lower cash balances and lower interest rates on invested funds.

Other (Expense) Income, Net. Other (expense) income, net was expense of $0.1 million and income of $23,000 for the three months ended June 30, 2026 and 2025, respectively.

Income Tax Provision. The Company recorded a provision for income taxes of $2.0 million for the three months ended June 30, 2026, compared to $1.5 million for the three months ended June 30, 2025. The Company's effective tax rate was 23% for the three months ended June 30, 2026, compared to 22% for the three months ended June 30, 2025. The Company's effective tax rate primarily reflects the statutory corporate income tax rate, the net effect of state taxes, foreign income taxes, the effect of various permanent tax differences, and recognition of discrete tax items.

Net Income. Net income was $6.7 million and $5.4 million for the three months ended June 30, 2026 and 2025, respectively. EPS was $0.23 per share (diluted) and $0.18 per share (diluted) for the three months ended June 30, 2026 and 2025, respectively.

Adjusted EBITDA was $20.6 million for the three months ended June 30, 2026, compared to $17.6 million for the three months ended June 30, 2025. See "Reconciliation of Non-GAAP Financial Measures" below for our reconciliation of adjusted EBITDA to the most directly comparable measure under US GAAP and disclosure regarding why we believe adjusted EBITDA provides useful information to investors.

Six Months Ended June 30, 2026 Compared to Six Months Ended June 30, 2025

Revenues, net. Revenues increased $17.1 million, or 12%, to $164.9 million for the six months ended June 30, 2026 from $147.9 million for the six months ended June 30, 2025. Subscription revenues increased by $15.6 million, or 11%, and professional services revenues increased by $1.4 million compared to the six months ended June 30, 2025. Compared to the six months ended June 30, 2025, revenue growth for the six months ended June 30, 2026 was positively impacted by $13.2 million of growth across our existing portfolio of solutions, of which $2.0 million related to a contract subject to the variable consideration constraint, which has been resolved and recognized as a cumulative catch-up in accordance with ASC 606 during the second quarter of 2026, and $6.6 million from our acquisitions of Virsys12 and MissionCare completed during the three months ended December 31, 2025, partially offset by a $2.7 million reduction from legacy applications.

A comparison of revenues by revenue source is as follows (in thousands):

	Six Months Ended June 30,		
	2026	**2025**	**Percentage Change**
Subscription services	$ 158,377	$ 142,730	11%
Professional services	6,558	5,151	27%
Total revenues, net	$ 164,935	$ 147,881	12%
% of Revenues			
Subscription services	96%	97%	
Professional services	4%	3%	

Cost of Revenues (excluding Depreciation and Amortization). Cost of revenues increased $4.9 million, or 9%, to $56.8 million for the six months ended June 30, 2026, from $51.9 million for the six months ended June 30, 2025. Cost of revenues as a percentage of revenues were 34% and 35% for the six months ended June 30, 2026 and 2025, respectively. The increase in amount is primarily associated with growth in several areas of our business, resulting in third-party software costs, labor costs, royalties expense, and cloud hosting expenses, coupled with increases in expenses from the Virsys12 and MissionCare acquisitions.

Product Development. Product development expenses increased $3.1 million, or 13%, to $27.2 million for the six months ended June 30, 2026, from $24.1 million for the six months ended June 30, 2025. Product development expenses as a percentage of revenues were 16% for both the six months ended June 30, 2026 and 2025. The increase in expense is primarily due to an increase in labor costs along with increases in expenses from the Virsys12 and MissionCare acquisitions.

Sales and Marketing. Sales and marketing expenses, including personnel costs, increased $2.5 million, or 10%, to $26.5 million for the six months ended June 30, 2026, from $24.0 million for the six months ended June 30, 2025. Sales and marketing expenses as a percentage of revenues were 16% for both the six months ended June 30, 2026 and 2025. The increase in amount is primarily due to increased sales commissions along with increases in expenses from the Virsys12 and MissionCare acquisitions.

General and Administrative. General and administrative expenses decreased $30,000, or less than 1%, to $16.0 million for the six months ended June 30, 2026, from $16.1 million for the six months ended June 30, 2025. General and administrative expenses as a percentage of revenues were 10% and 11% for the six months ended June 30, 2026 and 2025, respectively.

Depreciation and Amortization. Depreciation and amortization expense increased $1.0 million, or 5%, to $22.6 million for the six months ended June 30, 2026, from $21.6 million for the six months ended June 30, 2025. This increase in amount is due to increased amortization associated with capitalized software coupled with increased amortization associated with the acquired intangibles from Virsys12 and MissionCare.

Interest Income. Interest income was $0.9 million and $1.9 million for the six months ended June 30, 2026 and 2025, respectively. This decrease is a result of lower cash balances and lower interest rates on invested funds.

Other (Expense) Income Net. Other (expense) income, net was expense of $0.2 million and $39,000 for the six months ended June 30, 2026 and 2025, respectively.

Income Tax Provision. The Company recorded a provision for income taxes of $3.9 million for the six months ended June 30, 2026, compared to $2.4 million for the six months ended June 30, 2025. The Company's effective tax rate was 24% for the six months ended June 30, 2026, compared to 20% for the six months ended June 30, 2025. The Company's effective tax rate primarily reflects the statutory corporate income tax rate, the net effect of state taxes, foreign income taxes, the effect of various permanent tax differences, and recognition of discrete tax items.

Net Income. Net income was $12.6 million and $9.7 million for the six months ended June 30, 2026 and 2025, respectively. EPS was $0.43 per share (diluted) and $0.32 per share (diluted) for the six months ended June 30, 2026 and 2025, respectively.

Adjusted EBITDA was $40.7 million for the six months ended June 30, 2026, compared to $33.8 million for the six months ended June 30, 2025. See “Reconciliation of Non-GAAP Financial Measures” below for our reconciliation of adjusted EBITDA to the most directly comparable measure under US GAAP and disclosure regarding why we believe adjusted EBITDA provides useful information to investors.

Reconciliation of Non-GAAP Financial Measures

This Form 10-Q presents adjusted EBITDA, which is a non-GAAP financial measure used by management in analyzing our financial results and ongoing operational performance.

In order to better assess the Company’s financial results, management believes that net income before interest, income taxes, stock-based compensation, depreciation and amortization, impairments of long-lived assets, changes in fair value of contingent consideration, and changes in fair value of, including gains (losses) on the sale of, non-marketable equity investments (“adjusted EBITDA”) is a useful measure for evaluating the operating performance of the Company because adjusted EBITDA reflects net income adjusted for certain GAAP accounting, non-cash, and/or non-operating items which may not, in any such case, fully reflect the underlying operating performance of our business. We believe that adjusted EBITDA is useful to investors to assess the Company’s ongoing operating performance and to compare the Company’s operating performance between periods. In addition, certain short-term cash incentive bonuses and performance-based equity awards are based on the achievement of adjusted EBITDA (as defined in applicable bonus and equity grant documentation) targets.

Adjusted EBITDA is a non-GAAP financial measure and should not be considered as a measure of financial performance under GAAP. Because adjusted EBITDA is not a measurement determined in accordance with GAAP, adjusted EBITDA is susceptible to varying calculations. Accordingly, adjusted EBITDA, as presented, may not be comparable to other similarly titled measures of other companies and has limitations as an analytical tool.

A reconciliation of adjusted EBITDA to the most directly comparable GAAP measure, net income, is set forth below (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
GAAP net income	$ 6,669	$ 5,389	$ 12,579	$ 9,721
Interest income	(475)	(958)	(889)	(1,889)
Interest expense	25	25	50	50
Income tax provision	2,027	1,478	3,938	2,393
Stock-based compensation expense	1,106	836	2,415	1,940
Depreciation and amortization	11,275	10,867	22,640	21,621
Fair value adjustment on contingent consideration	(4)	—	(4)	—
Adjusted EBITDA	$ 20,623	$ 17,637	$ 40,729	$ 33,836

Cybersecurity Incident

As disclosed in a Current Report on Form 8-K filed by us on July 29, 2026 (the “July 29 Form 8-K”), the Company detected that it had experienced a cybersecurity incident in which an unauthorized third party gained access to a limited portion of files on the Company’s corporate file server. Following such detection, the Company initiated response protocols, launched an investigation, which remains ongoing, engaged the services of cybersecurity and forensics specialists and advisors, and notified certain law enforcement authorities. The Company did not experience any interruption in its business operations in connection with this incident. In addition, based on our investigation to date, we do not believe that any customer-facing systems were accessed or compromised.

Based on our investigation to date, the Company believes that certain information of our employees, as well as billing related information of certain customers and vendors, and corporate and legal information of the Company, was accessed and/or exfiltrated from the Company’s corporate file servers as the result of the incident. In addition, based on our investigation to date, the Company believes that, for approximately 65 of our credentialing customers, certain customer data that previously had been copied to the Company’s corporate file servers for purposes of data conversion, analytics, and troubleshooting for these customers, was accessed and exfiltrated. Further, based on our ongoing investigation to date, we now believe that a limited subset of likely 3 of these 65 customer files contained protected health information (“PHI”), as defined by the Health Insurance Portability and Accountability Act (“HIPAA”).

We have incurred, and expect to continue to incur, certain expenses related to this incident, including, among others, expenses to respond to, remediate and investigate this incident. To the extent required by contract or law, the Company will ensure that any additional notification is provided to individuals, entities, and regulatory agencies. While the Company’s investigation is ongoing, based on information currently known, the Company does not expect that this incident will have a material adverse impact on the Company’s business, operations or financial results. For additional information, see the July 29 Form 8-K.

Liquidity and Capital Resources

Net cash provided by operating activities increased by $8.5 million to $40.6 million during the six months ended June 30, 2026. The increase in net cash provided by operating activities is primarily due to higher cash receipts from customers during the period, partially offset by higher payments for personnel related expenses, sales commissions, and third-party software. Our days sales outstanding ("DSO") was 38 days for the second quarter of 2026 compared to 35 days for the second quarter of 2025. The Company calculates DSO by dividing the average accounts receivable balance for the quarter by average daily revenues for the quarter. The Company's primary sources of cash were receipts generated from the sales of our products and services. The primary uses of cash to fund operations included personnel expenses, sales commissions, royalty payments, payments for contract labor and other direct expenses associated with delivery of our products and services, income tax payments, and general corporate expenses.

Net cash used in investing activities was $18.2 million for the six months ended June 30, 2026, compared to $18.4 million for the six months ended June 30, 2025. During the six months ended June 30, 2026, the Company invested in marketable securities of $22.7 million, made payments for capitalized software development of $14.3 million, purchased strategic investments of $2.6 million, purchased property and equipment of $1.7 million, and paid a $0.3 million post-closing working capital adjustment related to the acquisition of MissionCare. These uses of cash were partially offset by $23.3 million in maturities of marketable securities. During the six months ended June 30, 2025, the Company invested in marketable securities of $26.1 million, made payments for capitalized software development of $14.5 million, purchased property and equipment of $3.4 million, and purchased an investment of $0.5 million. These uses of cash were partially offset by $26.1 million in maturities of marketable securities.

Net cash used in financing activities was $12.3 million for the six months ended June 30, 2026, compared to $21.1 million for the six months ended June 30, 2025. The uses of cash for the six months ended June 30, 2026 included $9.3 million for repurchases of common stock, $2.1 million for the payment of cash dividends, $0.6 million for the payment of employee payroll taxes in relation to the vesting of restricted share units, and $0.4 million for an earn-out payment related to a prior acquisition. The uses of cash for the six months ended June 30, 2025 included $18.1 million for repurchases of common stock, $1.9 million for the payment of cash dividends, and $1.1 million for the payment of employee payroll taxes in relation to the vesting of restricted share units.

Our balance sheet reflects positive working capital of $7.6 million at June 30, 2026, compared to negative working capital of $4.5 million at December 31, 2025. The change in working capital is primarily a result of an increase in cash and cash equivalents. The Company's primary source of liquidity as of June 30, 2026 was $46.2 million of cash and cash equivalents and $20.6 million of marketable securities.

The Company also has a $50.0 million revolving credit facility, the availability of which is subject to certain covenants and minimum liquidity requirements. There currently are no outstanding borrowings under the revolving credit facility. The revolving credit facility expires on October 6, 2026, unless earlier renewed, amended, or replaced. Prior to the expiration of this facility, we expect to evaluate our liquidity needs and financing alternatives, including whether to renew, amend, or replace the Revolving Credit Facility We can provide no assurance that any such renewal, amendment, or replacement of this facility will be available on terms acceptable to us or at all. For additional information regarding our revolving credit facility, see Note 8 to the Condensed Consolidated Financial Statements included herein.

On February 20, 2023, we announced that our Board approved a quarterly dividend policy, under which we have paid dividends on a quarterly basis since our adoption of this policy. Under this dividend policy, the Board declared, and the Company paid, quarterly cash dividends on our common stock at the rate of $0.025 per share, $0.028 per share, and $0.031 per share during the years ended December 31, 2023, December 31, 2024, and December 31, 2025, respectively. On February 23, 2026, the Board approved a quarterly cash dividend under this policy of $0.035 per share, which was paid on March 20, 2026 to holders of record of our common stock on March 9, 2026. On May 4, 2026, the Board approved a quarterly cash dividend under this policy of $0.035 per share, which was paid on May 29, 2026 to holders of record of our common stock on May 18, 2026. On August 3, 2026, the Board approved a quarterly cash dividend under this policy of $0.035 per share, payable on August 28, 2026 to holders of record on August 17, 2026.

The dividend policy and the declaration and payment of each quarterly cash dividend will be subject to our Board's continuing determination that the policy and the declaration and payment of dividends thereunder are in the best interests of our shareholders and are in compliance with applicable law and our credit agreement. Our Board retains the power to modify, suspend, or cancel the dividend policy and quarterly dividends thereunder in any manner and at any time that our Board may deem necessary or appropriate.

On November 11, 2025, the Board approved a share repurchase program under which the Company was authorized to repurchase up to $10.0 million of its outstanding shares of common stock. Pursuant to this authorization, the Company was authorized to make repurchases in the open market, including under Rule 10b5-1 plans, through privately negotiated transactions, or otherwise. The terms of this program provided that it would terminate on the earlier of February 26, 2026, or when the maximum dollar amount had been expended. During the six months ended June 30, 2026, the Company repurchased and subsequently retired 222,978 shares of common stock at an aggregate fair value of $5.0 million under this authorization, reflecting an average price per share of $22.42 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022). This program terminated in January 2026 when the maximum dollar amount under this program was expended.

On March 13, 2026, the Company announced the adoption of a new share repurchase program approved by the Board under which the Company is authorized to repurchase up to $10.0 million of its outstanding shares of common stock. Pursuant to this authorization, the Company is authorized to make repurchases in the open market, including under Rule 10b5-1 plans, through privately negotiated transactions, or otherwise. This share repurchase program terminates on the earlier of September 12, 2026 or when the maximum dollar amount under the plan has been expended. During the six months ended June 30, 2026, the Company repurchased 209,498 shares of common stock at an aggregate fair value of $4.3 million under this authorization, reflecting an average price per share of $20.51 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022). This share repurchase program does not require the Company to acquire any amount of shares and may be suspended, modified, or discontinued at any time.

In the aggregate, during the six months ended June 30, 2026, the Company repurchased 432,476 shares of common stock at an aggregate fair value of $9.3 million under both of the share repurchase programs described above, reflecting an average price per share of $21.50 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022).

We believe that our existing cash, cash equivalents, marketable securities, cash generated from operations, and available borrowings under our revolving credit facility (through the date of its maturity on October 6, 2026) and any amended, renewed, or replacement credit facility that we may enter into in connection with the upcoming maturity of our current revolving credit facility as noted above, will be sufficient to meet anticipated working capital needs, new product development, pay our quarterly dividends, any share repurchases we may elect to make under any future share repurchase program, and fund capital expenditures for at least the next 12 months and for the foreseeable future thereafter.

The Company’s growth strategy includes acquiring businesses or making strategic investments in businesses that complement or enhance our business. It is anticipated that future acquisitions or strategic investments, if any, would be effected through cash consideration, stock consideration, debt, or a combination thereof. The issuance of our stock as consideration for an acquisition or to raise additional capital could have a dilutive effect on earnings per share and could adversely affect our stock price. Our revolving credit facility contains financial covenants and availability calculations designed to set a maximum leverage ratio of outstanding debt to consolidated EBITDA (as defined in our credit facility) and an interest coverage ratio of consolidated EBITDA to interest expense. Therefore, the maximum borrowings against our revolving credit facility would be dependent on the covenant calculations at the time of borrowing. As of June 30, 2026, we were in compliance with all covenants under our revolving credit facility. There can be no assurance that amounts available for borrowing under our revolving credit facility will be sufficient to consummate any possible acquisitions, and we cannot provide assurance that if we need additional financing, it will be available on terms favorable to us or at all. Failure to generate sufficient cash flow from operations or raise additional capital when required in sufficient amounts and on terms acceptable to us could harm our business, financial condition, and results of operations.

Item 3. ***Quantitative and Qualitative Disclosures about Market Risk***

The Company is exposed to market risk from changes in interest rates, foreign currency risk, and investment risk. We do not have any commodity price risk.

Interest Rate Risk

As of June 30, 2026, and during the six months then ended, the Company had no outstanding debt. We may become subject to interest rate market risk associated with any future borrowings under our revolving credit facility. The interest rate under the revolving credit facility varies depending on the interest rate option selected by the Company plus a margin determined in accordance with a pricing grid. We are also exposed to market risk with respect to our cash and investment balances, which were $66.7 million at June 30, 2026. Assuming a hypothetical 10% decrease in interest rates for invested balances, interest income from cash and investments would decrease on an annualized basis by $0.2 million.

Foreign Currency Risk

We have foreign currency risks related to our revenue and operating expenses denominated in currencies other than the US dollar, including Canadian dollar, New Zealand dollar, and Australian dollar. Increases or decreases in our foreign-denominated revenue from movements in foreign exchange rates are often partially offset by the corresponding increases or decreases in our foreign-denominated operating expenses.

To the extent that our international operations grow, our risks associated with fluctuation in currency rates will become greater, and we will continue to assess our approach to managing this risk. In addition, currency fluctuations or a weakening US dollar can increase the costs of our international operations. To date, we have not entered into any foreign currency hedging contracts although we may do so in the future.

Investment Risk

The Company's investment policy and strategy is focused on investing in highly rated securities with the objective of minimizing the potential risk of principal loss. The Company's policy limits the amount of credit exposure to any single issuer and sets limits on the average portfolio maturity.

We have an investment portfolio that includes strategic investments in privately held companies, which primarily include early-stage companies. We primarily invest in healthcare technology companies that we believe can help expand our ecosystem. We may continue to make these types of strategic investments as opportunities arise that we find attractive. We may experience additional volatility to our Condensed Consolidated Financial Statements due to changes in market prices, observable price changes, and impairments to our strategic investments. These changes could be material based on market conditions and events.

The above market risk discussion and the estimated amounts presented are forward-looking statements of market risk assuming the occurrence of certain adverse market conditions. Actual results in the future may differ materially from those projected as a result of actual developments in the market.

Item 4. ***Controls and Procedures***

Evaluation of Controls and Procedures

HealthStream's chief executive officer and principal financial officer have reviewed and evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) promulgated under the Securities Exchange Act of 1934 (the "Exchange Act")) as of the end of the period covered by this Form 10-Q. Based on that evaluation, the chief executive officer and principal financial officer have concluded that HealthStream's disclosure controls and procedures were effective to ensure that the information required to be disclosed by the Company in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and the information required to be disclosed in the reports the Company files or submits under the Exchange Act was accumulated and communicated to the Company's management, including its chief executive officer and principal financial officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There was no change in HealthStream's internal control over financial reporting that occurred during the second quarter of 2026 that has materially affected, or that is reasonably likely to materially affect, HealthStream's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. *Legal Proceedings*

Information required by this Part II, Item 1, is included in Note 10 to the Condensed Consolidated Financial Statements herein, which is incorporated by reference herein.

Item 1A. *Risk Factors*

There have been no material changes to the risk factors previously disclosed in Part I, Item 1A of the 2025 Form 10-K.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

(a) Unregistered Sales of Equity Securities

None.

(c) Issuer Purchases of Equity Securities

On March 13, 2026, the Company announced the adoption of a share repurchase program approved by the Board under which the Company is authorized to repurchase up to $10.0 million of its outstanding shares of common stock. Pursuant to this authorization, the Company is authorized to make repurchases in the open market, including under Rule 10b5-1 plans, through privately negotiated transactions, or otherwise. This share repurchase program terminates on the earlier of September 12, 2026 or when the maximum dollar amount under the plan is expended. During the three months ended June 30, 2026, the Company repurchased 90,131 shares of common stock at an aggregate fair value of $1.8 million under this authorization, reflecting an average price per share of $19.95 (excluding the cost of broker commissions and the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022).

The following table presents information with respect to HealthStream's repurchases of common stock during the three months ended June 30, 2026.

Period	(a) Total number of shares (or units) purchased	(b) Average price paid per share (or unit) (1)	(c) Total number of shares (or units) purchased as part of publicly announced plans or programs	(d) Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
Month #1 (April 1 - April 30)	90,131	$ 19.95	90,131	$ 5,702,314
Month #2 (May 1 - May 31)	—	—	—	5,702,314
Month #3 (June 1 - June 30)	—	—	—	5,702,314
Total	90,131	$ 19.95	90,131	5,702,314

(1) On March 13, 2026, the Company announced the adoption of a share repurchase program approved by the Board under which the Company is authorized to repurchase up to $10.0 million of its outstanding shares of common stock. This share repurchase program terminates on the earlier of September 12, 2026 or when the maximum dollar amount under the plan is expended. The shares of common stock repurchased during the three months ended June 30, 2026, as reflected in the table above, were repurchased under this share repurchase program.
(2) The weighted average price paid per share of common stock does not include the cost of broker commissions or the 1% share repurchase excise tax imposed by the Inflation Reduction Act of 2022.

Item 5. *Other Information*

None. Without limiting the generality of the foregoing, during the six months ended June 30, 2026, no director or officer of the Company adopted or terminated any “Rule 10b5-1 trading arrangement,” or any “non-Rule 10b5-1 trading arrangement,” as such terms are defined in Item 408 of Regulation S-K.

Item 6. *Exhibits*

(a)Exhibits

10.1^*	Letter Agreement, dated as of May 4, 2026, between HealthStream, Inc. and Michael Collier.
10.2^*	Form of HealthStream, Inc. Restricted Share Unit Agreement (Non-Employee Director 2026) under 2022 Omnibus Incentive Plan
10.3^*	Form of HealthStream, Inc. Non-Qualified Stock Agreement (Executive 2026) under 2022 Omnibus Incentive Plan
31.1*	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of the Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.1 INS	Inline XBRL Instance Document – The instant document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.1 SCH	Inline XBRL Taxonomy Extension Schema
101.1 CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.1 DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.1 LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.1 PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	The cover page from the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, has been formatted in Inline XBRL
^	Management contract or compensatory plan or arrangement
*	Filed herewith
**	Furnished herewith

SIGNATURE

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.

HEALTHSTREAM, INC.

August 6, 2026

By: /s/ Scott A. Roberts
Scott A. Roberts
Chief Financial Officer

May 4, 2026

Re: Offer Letter

Dear Michael:

This offer letter will confirm the terms of your offer of ongoing employment with HealthStream, Inc. (the "Company") as its Chief Operating Officer. The following describes the general terms of your employment:

1. Position and Responsibilities.

You will serve in the position of Chief Operating Officer and Executive Vice President. You will also continue to serve as a member of the Company's Executive Team. Exhibit A attached hereto sets forth the general job description of the COO role, including among other things the additional responsibilities of leading Customer Support for the Company.

You will report to the Chief Executive Officer and assume and discharge such responsibilities as are commensurate with your position and as the Chief Executive Officer may direct. During your employment with the Company, you shall devote your full-time attention to your duties and responsibilities and shall perform them faithfully, diligently and completely. In addition, you shall comply with and be bound by the operating policies, procedures and practices of the Company including, without limitation, the Employee Handbook, Code of Conduct, Code of Ethics, and insider trading policies, in effect from time to time during your employment. Moreover, all compensation which has been paid to you or may be payable to you will be subject to recoupment pursuant to, and to the extent provided by, (i) the terms of the Company's Compensation Recoupment Policy (as it may be amended from time to time) (the "Current Recoupment Policy"), (ii) any other recoupment or clawback policy hereafter adopted by the Company, including any such policy (or amended version of the Current Recoupment Policy) adopted by the Company to comply with the requirements of any applicable laws, rules or regulations, including pursuant to final SEC rules and/or final Nasdaq listing standards with respect to recoupment adopted in connection with the Dodd-Frank Wall Street Reform and Consumer Protection Act (such SEC rules and Nasdaq listing standards, the "Dodd-Frank Clawback Requirements") (such policies referenced in clauses (i) and (ii), the "Policies") and (iii) applicable SEC rules and NASDAQ listing requirements as in effect from time to time. The Company may utilize any method of recovery specified in the Policies in connection with any recoupment pursuant to the terms of the Policies.

You acknowledge that from time to time you will be required to travel in connection with the performance of your duties.

2. Compensation. In consideration for your services, during the term of your employment, you will receive:

A. Base Salary. Your annual base salary will increase to $415,800.00 ("Base Salary") beginning on the date your promotion is effective as determined by the Compensation Committee. Base Salary is payable in accordance with the Company's prevailing payroll practices.

B. Cash Bonus Plan. You will remain eligible to participate at the Executive Vice President-level in an annual cash bonus plan ("Bonus Plan"), which the Compensation Committee approved in March 2026.

C. Equity Awards –Time-Based Vesting. Each year, you will remain eligible to receive an equity award (referred to herein as "Annual Awards") in the form of restricted stock units ("RSUs"). All Annual Awards shall be subject to the terms and conditions of the agreement under which such awards are granted and the Equity Plan. The issuance and terms of all Annual Awards are subject to approval by the Compensation Committee.

D. Equity Award – Performance-Based Vesting. You will be eligible to receive a performance-based equity award (referred to herein as the "Performance Award") upon your acceptance of the position and the Compensation Committee's approval of such award. The Performance Award shall be in the form of options. The total number of options granted to you shall be equal to: $150,000 divided by the closing value of the Company's stock price on the grant award date, then multiplied by 3. For example, if the stock closes at a $20 share price on the award date, you would receive 22,500 options: ($150,000 divided by $20) x 3. The Performance Award will be eligible for vesting annually on the grant date anniversary according to the following schedule: 15% vest year 1, 20% vest year 2, 20% vest year 3, 20% vest year 4, and 25% vest year 5. Your Performance Award shall be subject to the terms and conditions of the Equity Plan and the agreement under which such awards are granted.

If you are employed upon a Change of Control as defined in the Equity Plan, all unvested options that are eligible to vest within the 30 months following the Change of Control shall automatically vest and any options that are not eligible to vest within 30 months of the Change of Control shall be forfeited. For example, if a Change of Control occurs after your year 1 options were eligible to vest, but before your year 2 options were eligible to vest, then your year 2, year 3, and 50% of your year 4 options would vest automatically upon the Change of Control, and 50% of your year 4 and 100% of your year 5 options would be forfeited. For additional example, if a Change of Control occurs after your year 3 options were eligible to vest, but before your years 4 and 5 options were eligible to vest, then your years 4 and 5 options would automatically vest upon the Change of Control.

3. Other Benefits. You will be entitled to receive the standard employee benefits made available by the Company to its employees to the full extent of your eligibility. During your employment, you shall be permitted, to the extent eligible, to participate in any group medical, dental, life insurance and disability insurance plans, or similar benefit plan of the Company that is available to employees generally. You shall also be eligible to participate in the Company's 401(k) plan. Participation in any such plans shall be consistent with your rate of compensation to the extent that compensation is a determinative factor with respect to coverage under any such plans. The Company shall reimburse you for all reasonable expenses actually incurred or paid by you in the performance of your services on behalf of the Company subject to the terms of and in accordance with the Company's expense reimbursement policy as from time to time in effect.

4. Trade Secret and Proprietary Information Agreement ("TSPI"). That certain TSPI set forth as Exhibit B hereto, including without limitation the restrictive covenants therein, shall remain in full force and effect. It being understood that your promotion is contingent upon your signing the TSPI.

5. Conflicting Employment. You agree that, during your employment with the Company, in addition to the restrictions set forth in the Restrictive Covenants, you will not engage in any other employment, occupation, consulting or other business activity directly related to the business in which the

Company is now involved or becomes involved during your employment, nor will you engage in any other activities that conflict with your obligations to the Company.

6. <u>At-Will Employment.</u> You acknowledge that your employment with the Company is for an unspecified duration that constitutes at-will employment, and that either you or the Company can terminate this relationship at any time, with or without cause and with or without notice.

7. <u>General Provisions.</u>

(a) This offer letter and the terms of your employment will be governed by the laws of Tennessee without regard to any conflict of laws.

(b) This offer letter sets forth the entire agreement and understanding between the Company and you relating to your employment and supersedes all prior verbal discussions between us.

(c) This agreement will be binding upon your heirs, executors, administrators and other legal representatives and will be for the benefit of the Company and its respective successors and assigns.

(d) All payments pursuant to this letter will be subject to applicable withholding taxes.

(e) While your employment will be at-will, the Company’s willingness to offer you the employment terms outlined herein is predicated on the understanding that you intend to commit to a minimum of five years of ongoing employment with the Company pursuant to the terms described in this offer letter.

{signature page follows}

Please acknowledge and confirm your acceptance of this letter by, signing and returning one copy of this offer letter in its entirety to me.

Sincerely,

Robert A. Frist, Jr.

Robert A. Frist, Jr.
Chief Executive Officer

OFFER ACCEPTANCE:
I accept the terms of my employment with HealthStream, Inc. as set forth herein and in any attached Annexes. I understand that this offer letter does not constitute a contract of employment for any specified period of time, and that either party, with or without cause and with or without notice, may terminate my employment relationship. I received this offer letter with notice of my pay rate and designated payday in English because I have represented to my employer that this is my primary language.

___________________________Date:__/__/____
Michael M. Collier

{signature page to Offer Letter}

<u>Exhibit A</u>

Job Description:
CHIEF OPERATING OFFICER

Position Summary

The Chief Operating Officer will be the senior executive primarily responsible for the enterprise operations of the Company. He shall report directly to the CEO and be responsible for translating corporate strategy into operational reality—building the frameworks, cadences, and accountability structures that allow the company to scale efficiently while improving customer outcomes and financial results. The COO will also be responsible for helping establish and implement transformational changes to the business that are likely to come from AI, including but not limited to the fusion of job roles, the management of agents as part of the workforce, and helping coordinate efforts to ensure efficient and profitable token allocation.

The COO will be responsible for helping the CEO evaluate and establish capital deployment strategies designed to foster both organic and inorganic growth. In so doing, the COO shall serve as a primary liaison to the Board of Directors and lead the Company's Corporate Development efforts in M&A, minority investments, and strategic partnerships. Additionally, the COO will oversee internal services such as HR, Legal, and Business Enablement.

This role requires a leader who can operate at 30,000 feet and at ground level simultaneously: setting enterprise-wide operating frameworks while making discrete decisions on hiring, restructuring, sensitive customer matters, legal decisions, and capital deployment.

Key Responsibilities

Enterprise Operations & Execution

- Own end-to-end operational performance across enterprise-wide Implementations, Customer Success, Customer Support, and Training.
- Design and implement enterprise operating frameworks—including standardized metrics, business rules, reporting cadences, and accountability structures—to drive visibility, consistency, and speed across the business.
- Lead prioritization and execution of strategic initiatives, translating board-level strategy into operating plans with owners, milestones, and outcomes.
- Restructure and scale operational programs to improve renewal rates, accelerate time to revenue, and elevate customer satisfaction across the subscriber base.
- Manage key vendor decisions such as real estate leases and benefits brokers.

AI Transformation

- Serve as the executive sponsor for coordinating the management of AI transformation related to the workforce, including working with the executive team to best identify and prioritize use cases that improve efficiency, reduce cost, and enhance customer value.
- Champion AI readiness across all operational teams, ensuring reorganizations and process designs are built for automation and augmentation.
- Develop, in coordination with the exec team and HR, a workforce strategy that accounts for how AI will reshape roles, headcount, and skill requirements over the next 3-5 years. This will be a work in progress as the Company's use of AI informs the path forward.

Stakeholder Alignment & Cross-Functional Leadership

- Assist the CEO by serving as the connective tissue across the enterprise to help ensure alignment of priorities, resource allocation, and go-to-market execution.
- Co-manage hiring decisions across the enterprise to ensure talent investments align with strategic priorities and budget discipline.
- Lead legal and HR decisions at both the discrete (individual matter) and enterprise (policy and structure) levels.

Board & Investor Support

- Partner with the CEO, CFO, General Counsel, and IR on board materials, earnings scripts, and periodic filings—translating operational performance into compelling investor narratives.
- Provide visibility into the business through enterprise dashboards and reporting frameworks, such as the OneHealthStream Scorecard, that give the board and leadership team a clear line of sight into operational health.
- Support capital deployment decisions, including M&A evaluation, minority investment oversight, and strategic partnerships, stock repurchases, and dividends.

Corporate Development

- Continue to lead the Company's M&A program and minority investment programs.
- Maintain a rigorous understanding of the competitive landscape—monitoring market entrants, adjacencies, and technology shifts that affect the Company's positioning.
- Leverage competitive intelligence to inform operational priorities, product investment recommendations, and partnership strategy.

Scope of the Role

Direct Reports	VPs of WDS Operations, Credentialing & Scheduling Operations, Customer Success, Customer Support, Business Enablement, Legal, HR, Partnerships, Corporate Development
Employees Under Management	320 FTEs across operations, support, and shared services; approximately one-third of the Company's total employee base
Key Internal Partners	CEO, EVPs, and SVPs
Key External Relationships	Board of Directors, investors, strategic partners, M&A targets, minority investment companies, key vendors, customers

Exhibit B

TRADE SECRET AND PROPRIETARY INFORMATION AGREEMENT

In consideration of my continuing employment as Chief Operating Officer by HealthStream, Inc. and/or any of its corporate parents, subsidiaries, divisions, or affiliates, or the successors or assigns of any of the foregoing (hereinafter referred to as the "Company") on the terms set forth in the offer of employment to which this document is an Annex, I hereby agree as follows:

1. Confidentiality.

(a) Trade Secret and Proprietary Information. I understand and acknowledge that, during the course of my employment arrangement with the Company and as a result of my having executed this Trade Secret and Proprietary Information Agreement, I will be granted access to valuable information relating to the Company's business that provides the Company with a competitive advantage, which is not generally known by, nor easily learned or determined by, persons outside the Company (collectively "Trade Secret and Proprietary Information"). The term Trade Secret and Proprietary Information shall include, but shall not be limited to: (a) specifications, manuals, software in various stages of development; (b) customer and prospect lists, and details of agreements and communications with customers and prospects; (c) sales plans and projections, product pricing information, acquisition, expansion, marketing, financial and other business information and existing and future products and business plans of the Company; (d) sales proposals, demonstrations systems, sales material; (e) research and development; (f) computer programs; (g) sources of supply; (h) identity of specialized consultants and contractors and Trade Secret and Proprietary Information developed by them for the Company; (i) purchasing, operating and other cost data; (j) special customer needs, cost and pricing data; (k) patient information, including without limitation Protected Health Information as defined in 45 C.F.R. 164.501 and (l) employee information (including, but not limited to, personnel, payroll, compensation and benefit data and plans), including all such information recorded in manuals, memoranda, projections, reports, minutes, plans, drawings, sketches, designs, formula books, data, specifications, software programs and records, whether or not legended or otherwise identified by the Company as Trade Secret and Proprietary Information, as well as such information that is the subject of meetings and discussions and not recorded. Trade Secret and Proprietary Information shall not include such information that I can demonstrate (i) is generally available to the public (other than as a result of a disclosure by me), (ii) was disclosed to me by a third party under no obligation to keep such information confidential or (iii) was known by me prior to, and not as a result of, my employment or anticipated employment with the Company; provided, however, that, notwithstanding the preceding sentence, all information set forth in subsections (k) and (l) above shall always be treated as Trade Secret and Proprietary Information, and shall not be deemed in the public domain or nonconfidential under any circumstances.

(b) Duty of Confidentiality. I agree at all times, both during and after my employment with the Company, to hold all of the Company's Trade Secret 'roprietary Information in a fiduciary capacity for the benefit of the Company and to safeguard all such Trade Secret and Proprietary Information. I also agree will not directly or indirectly disclose or use any such Trade Secret and Proprietary Information to any third person or entity outside the Company, except as be necessary in the good faith performance of my duties for the Company. I further agree that, in addition to enforcing this restriction, the Company may other rights and remedies under the common law or applicable statutory laws relating to the protection of trade secrets. Notwithstanding anything in this ement to the contrary, I understand that I may disclose the Company's Trade Secret and Proprietary Information to the extent required by applicable laws or rnmental regulations or judicial or regulatory process, provided that I give the Company prompt notice of any and all such requests for disclosure so that it mple opportunity to take all necessary or desired action, to avoid disclosure.

(c) Unfair Competition. I acknowledge that the Company has a compelling business interest in preventing unfair competition stemming from the tional or inadvertent use or disclosure of the Company's Trade Secret and Proprietary Information and Company Property.

(d) Intellectual Property and Inventions. I acknowledge that all developments and other intellectual property, including, without limitation, the ion of new products, conferences, training/seminars, publications, programs, methods of organizing information, inventions, discoveries, concepts, ideas, ›vements, patents, trademarks, trade names, copyrights, trade secrets, designs, works, reports, computer software, flow charts, diagrams, procedures, data, mentation, and writings and any other intellectual property (collectively referred to as "Developments") that I, alone or jointly with others, may discover, ›ive, create, make, develop, reduce to practice, or acquire at any time during or in connection with my employment with the Company are the sole and sive property of the Company. I hereby assign to the Company all rights, titles, and interests in and to all such Developments, and all intellectual property ›d thereto. I agree to disclose to the Company promptly and fully all future Developments and, at any time upon request and at the expense of the Company, ecute, acknowledge, and deliver to the Company all instruments that the Company shall prepare, to give evidence, and to take any and all other actions that ecessary or desirable in the reasonable opinion of the Company to enable the Company to file and prosecute applications for, and to acquire, maintain, and ce, all letters patent, trademark registrations, or copyrights covering the Developments in all countries in which the same are deemed necessary by the pany. All data, memoranda, notes, lists, drawings, records, files, investor and client/customer lists, supplier lists, and other documentation (and all copies of) made or compiled by me or made available to me concerning the Developments or otherwise concerning the past, present, or planned business of the pany are the property of the Company, and will be delivered to the Company immediately upon the termination of my employment with the Company.

(e) Competitive Business. I acknowledge that a business engaged in the same or similar business as the Company shall be a Competitive Business. , "Competitive Business" shall mean: (i) one that offers e-learning, clinical development, workforce development, talent management, workforce gement, simulation, courseware, PaaS (platform as a service), benchmarking or related services or solutions to the healthcare industry; (ii) one that offers ntialing or privileging services to the healthcare industry; (iii) one that offers staff scheduling solutions to the healthcare industry; and (iv) any enterprise ged in any other type of business in which the Company or one of its affiliates is also engaged, or plans to be engaged, so long as I am directly involved in business or planned business on behalf of the Company or one of its affiliates.

2. Non-Solicitation of Employees, Customers. In order to protect the Company's Trade Secret and Proprietary Information;

(a) during my employment with the Company and for a period of one (1) year after the termination of such employment for any reason (the "Restricted Period"), I will not, without the express written permission of HealthStream, directly or indirectly solicit, induce, hire, engage, or attempt to hire or engage any employee or independent contractor of the Company, or in any other way interfere with the Company's employment or contractual relations with any of its employees or independent contractors, nor will I solicit, induce, hire, engage or attempt to hire or engage any individual who was an employee of the Company at any time during the one year period immediately prior to the termination of my employment with the Company;

(b) during the Restricted Period, I will not, without the express written permission of HealthStream, directly or indirectly contact, call upon or solicit, on behalf of a Competitive Business, any existing or prospective client, or customer of the Company who I serviced, or otherwise developed a relationship with, as a result of my employment with the Company, nor will I attempt to divert or take away from the Company the business of any such client or customer.

3. Restrictions on Competitive Employment. In order to protect the Company's Trade Secret and Proprietary Information and the good will of the Company, during the Restricted Period, I will not (as principal, agent, employee, consultant, director or otherwise), anywhere in the United States and

Canada, including but not limited to the states and locations in which I have been engaged in the business of the Company, directly or indirectly, without the prior written approval of the Company, engage in, or perform any services for, a Competitive Business. Notwithstanding the foregoing, I understand that I may have an interest consisting of publicly traded securities constituting less than 1 percent of any class of publicly traded securities in any public company engaged in a Competitive Business so long as I am not employed by and do not consult with, or become a director of or otherwise engage in any activities for, such company. The Restricted Period shall be extended by the length of any period during which I am in breach of the terms of this paragraph.

4. Injunctive Remedies. I acknowledge and agree that the restrictions contained in this Agreement are reasonably necessary to protect the legitimate business interests of the Company, and that any violation of any of the restrictions will result in immediate and irreparable injury to the Company for which monetary damages will not be an adequate remedy. I further acknowledge and agree that if any such restriction is violated, the Company will be entitled to immediate relief enjoining such violation (including, without limitation, temporary and permanent injunctions, a decree for specific performance, and an equitable accounting of earnings, profits, and other benefits arising from such violation) in any court having jurisdiction over such claim, without the necessity of showing any actual damage or posting any bond or furnishing any other security, and that the specific enforcement of the provisions of this Agreement will not diminish my ability to earn a livelihood or create or impose upon me any undue hardship. I also agree that any request for such relief by the Company shall be in addition to, and without prejudice to, any claim for monetary damages that the Company may elect to assert.

5. Severability Provision. I acknowledge and agree that the restrictions imposed upon me by the terms, conditions, and provisions of this Agreement are fair, reasonable, and reasonably required for the protection of the Company. In the event that any part of this Agreement is deemed invalid, illegal, or unenforceable, all other terms, conditions, and provisions of this Agreement shall nevertheless remain in full force and effect. In the event that the provisions of any of Sections 1, 2, 3 or 4 of this Agreement relating to the geographic area of restriction, the length of restriction or the scope of restriction shall be deemed to exceed the maximum area, length or scope that a court of competent jurisdiction would deem enforceable, said area, length or scope shall, for purposes of this Agreement, be deemed to be the maximum area, length of time or scope that such court would deem valid and enforceable, and that such court has the authority under this Agreement to rewrite (or “blue-pencil”) the restriction(s) at-issue to achieve this intent.

6. Non-Waiver. Any waiver by the Company of my breach of any term, condition, or provision of this Agreement shall not operate or be construed as a waiver of the Company’s rights upon any subsequent breach.

7. Waiver of Jury Trial. TO THE MAXIMUM EXTENT PERMITTED BY LAW, I HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION ARISING OUT OF, UNDER, IN CONNECTION WITH, OR IN ANY WAY RELATED TO THIS AGREEMENT. THIS INCLUDES, WITHOUT LIMITATION, ANY LITIGATION CONCERNING ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN), OR ACTION OF THE COMPANY OR ME, OR ANY EXERCISE BY THE COMPANY OR ME OF OUR RESPECTIVE RIGHTS UNDER THIS AGREEMENT OR IN ANY WAY RELATING TO THIS AGREEMENT. I FURTHER ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT FOR THE COMPANY TO ISSUE AND ACCEPT THIS AGREEMENT.

8. Continuation of Employment. This Agreement does not constitute a contract of employment or an implied promise to continue my employment or status with the Company; nor does this Agreement affect my rights or the rights of the Company to terminate my employment status at any time with or without cause.

9. Governing Law. This Agreement shall be construed in accordance with and governed for all purposes by the laws and public policy of Tennessee, without regard to principles of conflict of laws.

10. Superseding Agreement. This Trade Secret and Proprietary Information Agreement supersedes any and all previous agreements of the same or similar nature between you and the Company.

As indicated by my signature below, I agree to abide and be bound by the terms and conditions of this Trade Secret and Proprietary Information Agreement:

___________________________Date:__/__/____
Michael Collier

HEALTHSTREAM, INC.
RESTRICTED SHARE UNIT AGREEMENT
(NON-EMPLOYEE DIRECTOR)

This RESTRICTED SHARE UNIT AGREEMENT (this "Agreement") is made and entered into as of the 28th day of May, 2026 (the "Grant Date"), between HealthStream, Inc., a Tennessee corporation (together with its Subsidiaries and Affiliates, the "Company"), and [NAME] (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the HealthStream, Inc. 2022 Omnibus Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the issuance of Restricted Share Units; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company, including any subcommittees formed pursuant to Section 3.3 of the Plan, has determined that it would be to the advantage and best interest of the Company and its shareholders to grant an award of the Restricted Share Units provided for herein to the Grantee as an incentive for increased efforts during his or her term of service as a director of the Company

NOW, THEREFORE, the parties hereto agree as follows:

<u>RESTRICTED SHARE UNIT GRANT</u>

Grantee:	[Name]
Aggregate number of Restricted Share Units Granted hereunder:	[RSUs]
Grant Date:	May 28, 2026

1. <u>Grant of Restricted Share Unit Award.</u>

1.1 The Company hereby grants to the Grantee the award ("Award") of Restricted Share Units ("RSUs") set forth above on the terms and conditions set forth in this Agreement and as otherwise provided in the Plan. Each RSU shall have a value equal to the Fair Market Value of one Share. A bookkeeping account will be maintained by the Company to keep track of the RSUs.

1.2 The Grantee's rights with respect to the Award shall remain forfeitable at all times prior to the dates on which the RSUs shall vest in accordance with <u>Section 2</u> hereof. This Award may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Grantee other than by will or the laws of descent and distribution.

2. <u>Vesting and Payment.</u>

2.1 <u>Vesting</u>. Except as provided in <u>Section 2.2</u>, the RSUs subject to this Award shall vest as follows:

(i) 1/3 of the RSUs shall vest on the first anniversary of the Grant Date;

(ii) An additional 1/3 of the RSUs shall vest on the second anniversary of the Grant Date; and

(iii) The remaining 1/3 of the RSUs shall vest on the third anniversary of the Grant Date.

2.2 <u>Change in Control</u>. Notwithstanding the foregoing, upon the occurrence of a Change in Control, this Award shall become vested immediately prior to a Change in Control as to 100% of the RSUs (but only to the extent such Award has not otherwise terminated or become vested).

2.3 <u>Settlement</u>. The Grantee shall be entitled to settlement of the RSUs subject to this Award at the time that such RSUs vest pursuant to <u>Section 2.1</u> or <u>Section 2.2</u>, as applicable. Such settlement shall be made as promptly as practicable thereafter (but in no event after the fifteenth day following the applicable vesting date, or in the case of a Change in Control, the Change in Control) through the issuance of Shares equal to the number of such vested RSUs; provided, however, that if the Grantee shall have elected to defer payment of any RSUs that become vested to such later date as may be permitted by the Company in accordance with policies and procedures approved by the Company in compliance with Section 409A of the Code, the settlement of such vested RSUs shall instead occur on such later date. Any settlement of RSUs granted pursuant to this Award shall be made in Shares as evidenced by a "book entry" (i.e., a computerized or manual entry) in the records of the Company or its designated agent in the name of the Grantee who has become vested in such Shares (or, if requested by Grantee, a stock certificate evidencing such Shares). Notwithstanding the foregoing, if this Award vests in connection with a Change in Control and the Shares issuable in connection with such vesting subsequently have been converted into or have otherwise been transferred in exchange for other consideration in connection with such Change in Control, Grantee will be entitled to receive such other consideration in lieu of the converted or transferred Shares. The Grantee will not be entitled to any dividend equivalent or voting rights with regard to the RSUs.

2.4 <u>Termination</u>. Except as otherwise provided by the Committee, this Award shall not become vested as to any RSUs that have not vested as of the time of the Grantee's termination of service with the Company for any reason, and Grantee shall forfeit any unvested RSUs as of the date of such termination of service.

3. <u>No Right to Continued Service</u>. Nothing in this Agreement or the Plan shall be interpreted or construed to confer upon the Grantee any right to continue service as a member of the Board.

4. <u>Adjustments</u>. The provisions of <u>Section 4.2</u> and <u>Section 14.3</u> of the Plan are hereby incorporated by reference, and the RSUs are subject to such provisions. Any determination made by the Committee pursuant to such provisions shall be made in accordance with the provisions of the Plan and

shall be final and binding for all purposes of the Plan and this Agreement.

5. Administration Subject to the Plan. The Grantee hereby acknowledges receipt of a copy of (or an electric link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award.

6. Modification of Agreement. Subject to the restrictions contained in the Plan and applicable law (including compliance with Section 409A of the Code), the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, the RSU, prospectively or retroactively.

7. Section 409A. The Grantee shall be responsible for all taxes due in connection with the grant or vesting or any payment or transfer with respect to the RSUs and Shares (and cash, if applicable) payable hereunder. Notwithstanding anything herein to the contrary, to the maximum extent permitted by applicable law, the settlement of the RSUs to be made to the Grantee pursuant to this Agreement is intended to qualify as a “short-term deferral” pursuant to Section 1.409A-1(b)(4) of the Regulations and this Agreement shall be interpreted consistently therewith. However, in any circumstances where the settlement of the RSUs may not so qualify, the Committee shall administer the grant and settlement of such RSUs in strict compliance with Section 409A of the Code. Further, notwithstanding anything herein to the contrary, to the extent that this Award constitutes deferred compensation for purposes of Section 409A of the Code (i) no RSU payable upon the Grantee’s termination of service shall be issued, unless Grantee’s termination of service constitutes a “separation from service” within the meaning of Section 1.409A-1(h) of the Treasury Regulations and (ii) if at the time of a Grantee’s termination of service with the Company and all “service recipients” (as defined in the applicable provision of the Treasury Regulations), the Grantee is a “specified employee” as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Grantee) to the minimum extent necessary to satisfy Section 409A of the Code until the date that is six months and one day following the Grantee’s termination of service with the Company (or the earliest date as is permitted under Section 409A of the Code), if such payment or benefit is payable upon a termination of service. Each payment of RSUs constitutes a “separate payment” for purposes of Section 409A of the Code. Notwithstanding any other provision of this Agreement or the Plan to the contrary, to the extent that this RSU Agreement constitutes deferred compensation for purposes of Section 409A of the Code, a “Change in Control” for purposes of this Agreement shall mean “change in the ownership of the Company,” a “change in the effective control of the Company,” or a “change in the ownership of a substantial portion of the Company’s assets,” as such terms are defined in Section 1.409A-3(i)(5) of the Treasury Regulations. Notwithstanding the foregoing, Company does not warrant that this RSU will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local or foreign law. The Company shall not be liable to Grantee for any tax, interest, or penalties that the Grantee might owe as a result of the grant, holding, vesting, exercise, or payment of the RSUs.

8. Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Award, or would disqualify the Plan or Award under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, Person or Award, and the remainder of the Plan and Award shall remain in full force and effect.

9. Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Tennessee without giving effect to the conflicts of law principles thereof, except to the extent that such laws are preempted by Federal law.

10. Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee’s legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee’s heirs, executors, administrators and successors.

11. Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

12. Notices. All notices required to be given under this Award shall be deemed to be received if delivered or mailed as provided for herein to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: HealthStream, Inc.
500 11th Avenue North, Suite 850
Nashville TN 37203

To the Grantee: The address then maintained with respect to the Grantee in the Company’s records.

IN WITNESS WHEREOF, the parties have caused this Restricted Share Unit Agreement to be duly executed effective as of the day and year first above written.

HEALTHSTREAM, INC.:

Robert A. Frist, Jr.

Robert A. Frist, Jr.
Chairman and Chief Executive Officer

GRANTEE:

____

17039358.2

HEALTHSTREAM, INC.
NON-QUALIFIED STOCK OPTION AGREEMENT

This NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement") is made and entered into as of the grant date set forth below (the "Grant Date"), between HealthStream, Inc., a Tennessee corporation (together with its Subsidiaries and Affiliates, the "Company"), and {Name} (the "Grantee"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the HealthStream, Inc. 2022 Omnibus Incentive Plan (the "Plan").

WHEREAS, the Company has adopted the Plan, which permits the grant of Non-Qualified Stock Options; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee"), has determined that it would be to the advantage and best interest of the Company and its shareholders to grant a Non-Qualified Stock Option provided for herein to the Grantee as an incentive for increased efforts during his or her term of service or employment with the Company or its Subsidiaries or Affiliates;

NOW, THEREFORE, the parties hereto agree as follows:

NON-QUALIFIED STOCK OPTION GRANT

Grantee: {Name}

Aggregate number of Shares Subject to Option: {Shares}

Exercise Price per Share: {Exercise Price}

Grant Date: {Date}

Section 1 Option.

(a) Grant. The Company hereby grants to the Grantee the option (the "Option"), exercisable in whole or in part, to purchase the number of Shares set forth above (the "Option Shares"), for an exercise price per Share (the "Exercise Price") in the amount set forth above, on the terms and conditions set forth herein and subject to all provisions of the Plan. This Option is granted as a Non-Qualified Stock Option under the Plan, and is not intended to qualify as an incentive stock option, as that term is used in Section 422 of the Code.

(b) No Transfer. This Option may not be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by Grantee other than by will or the laws of descent and distribution.

Section 2 Vesting and Other Terms.

(a) Vesting. Except as otherwise provided in Section 2(b) below, the Option shall vest and become exercisable as follows (and will thereafter be exercisable until its expiration or termination in accordance with Section 4 below):

(i) 15% of the Option Shares shall vest and become exercisable on the first anniversary of the Grant Date;

(ii) An additional 20% of the Option Shares shall vest and become exercisable on the second anniversary of the Grant Date;

(iii) An additional 20% of the Option Shares shall vest and become exercisable on the third anniversary of the Grant Date;

(iv) An additional 20% of the Option Shares shall vest and become exercisable on the fourth anniversary of the Grant Date; and

(v) The remaining 25% of the Option Shares shall vest and become exercisable on the fifth anniversary of the Grant Date.

(b) Change in Control. Notwithstanding anything contained herein to the contrary, upon the occurrence of a Change in Control, this Option shall become vested immediately prior to such Change in Control as to 100% of the Option Shares (but only to the extent the Option has not otherwise terminated or become vested), and the terms of the Plan shall otherwise apply with respect to the terms of this Option in connection with such Change in Control.

Section 3 Exercise Procedures.

(a) Option Payment; Withholding. The Option may be exercised in whole or in part at any time within the period permitted hereunder for the exercise of the Option, with respect to whole Option Shares only, by providing written notice of intent to exercise the Option delivered to the Company at its principal office (or such other means provided by the Company), stating the number of Option Shares to be purchased and such other information as may be requested by the Company. Such notice shall not be effective unless accompanied by payment of the Exercise Price for the number of Option Shares in respect of which the Option is then exercised (the "Option Payment") in accordance with Section 6.4(d) of the Plan. The issuance of Option Shares upon exercise of the Option shall be subject to federal, state, local and/or foreign tax withholding in accordance with Section 14.6 of the Plan, and the Company shall have the right to require the Grantee to remit to the Company an amount necessary to satisfy any federal, state, local and/or foreign tax withholding requirements prior to the delivery of any issuance of any Option Shares for which this Option is exercised in accordance with Section 14.6 of the Plan.

(b) Rights as a Holder. Grantee shall not be the holder of, or have any of the rights of a holder with respect to, any Option Shares in respect of which this Option is exercised until (a) the Option shall have been exercised in accordance with the terms of this Agreement and the Grantee shall have paid the full Option Payment for the number of Option Shares in respect of which the Option has been exercised and any withholding taxes due in connection with such exercise, and (b) the Company shall have issued the Option Shares to Grantee as evidenced by a "book entry" (i.e., a computerized or manual entry) in the records of the Company or its designated agent in the name of the Grantee, or such other means allowed by the Company. Upon the occurrence of the foregoing, Grantee shall have full voting and other ownership rights with respect to Option Shares for which the Option has been exercised.

Section 4 Expiration. This Option, to the extent not previously exercised hereunder, will expire on the date that is 10 years following the Grant Date (the "Expiration Date"), unless earlier terminated as set forth below. Following the termination of Grantee's employment by the Company, Grantee shall have no further rights with respect to this Option (or any right to exercise this Option), except as otherwise provided in this Section 4 below.

(a) Termination by Death. If the Grantee's employment by the Company terminates by reason of death, or if the Grantee dies within three (3) months after termination of such employment for any reason other than Cause, this Option may thereafter be exercised, to the extent the Option was exercisable at the time of such termination, by the legal representative of the estate or by the legatee of the Grantee under the will of the Grantee, for a period of one (1) year from the date of death or until the Expiration Date, whichever period is shorter.

(b) Termination by Reason of Disability. If the Grantee's employment by the Company terminates by reason of Disability, this Option may thereafter be exercised, to the extent the Option was exercisable at the time of such termination, by the Grantee or personal representative or guardian of the Grantee, as applicable, for a period of one (1) year from the date of such termination of employment or until the Expiration Date, whichever period is the shorter.

(c) Termination by Normal Retirement or Early Retirement. If the Grantee's employment by the Company terminates by reason of Normal Retirement or Early Retirement, this Option may thereafter be exercised by the Grantee, to the extent the Option was exercisable at the time of such termination, for a period of one year from the date of such termination of employment or until the Expiration Date, whichever period is the shorter.

(d) Termination for Cause. If the Grantee's employment by the Company is terminated for Cause, this Option shall terminate immediately and become void and of no effect.

(e) Other Termination. If the Grantee's employment by the Company terminates for any reason other than for Cause, death, Disability, Normal Retirement or Early Retirement, this Option may be exercised, to the extent the Option was exercisable at the time of such termination, by the Grantee for a period of three (3) months from the date of such termination of employment or the Expiration Date, whichever period is the shorter.

Section 5 Adjustments. The provisions of Section 4.2 and Section 13.3 of the Plan are hereby incorporated by reference, and the Option (including the number of Option Shares subject to this Option and the exercise price per Option Share) are subject to such provisions. Any determination made by the Committee pursuant to such provisions shall be made in accordance with the provisions of the Plan and shall be final and binding for all purposes of the Plan and this Agreement.

Section 6 Administration Subject to the Plan. The Grantee hereby acknowledges receipt of a copy of (or an electric link to) the Plan and agrees to be bound by all the terms and provisions thereof. The terms of this Agreement are governed by the terms of the Plan, and in the case of any inconsistency between the terms of this Agreement and the terms of the Plan, the terms of the Plan shall govern. The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Grantee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Option.

Section 7 Modification of Agreement. Subject to the restrictions contained in the Plan and applicable law, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, the Option, prospectively or retroactively.

Section 8 No Right to Continued Employment. The grant of the Option shall not be construed as giving the Grantee the right to be retained in the service of the Company, and the Company may at any time dismiss the Grantee from service, free from any liability or any claim under the Plan.

Section 9 Severability. If any provision of this Agreement is, or becomes, or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any Person or the Option, or would disqualify the Plan or Option under any laws deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, Person or Option, and the remainder of the Plan and Option shall remain in full force and effect.

Section 10 Governing Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Tennessee without giving effect to the conflicts of law principles thereof, except to the extent that such laws are preempted by Federal law.

Section 11 Successors in Interest. This Agreement shall inure to the benefit of and be binding upon any successor to the Company. This Agreement shall inure to the benefit of the Grantee's legal representatives. All obligations imposed upon the Grantee and all rights granted to the Company under this Agreement shall be binding upon the Grantee's heirs, executors, administrators and successors.

Section 12 Resolution of Disputes. Any dispute or disagreement which may arise under, or as a result of, or in any way related to, the interpretation, construction or application of this Agreement shall be determined by the Committee. Any determination made hereunder shall be final, binding and conclusive on the Grantee and the Company for all purposes.

Section 13 Notices. All notices required to be given under this Option shall be deemed to be received if delivered or mailed as provided for herein to the parties at the following addresses, or to such other address as either party may provide in writing from time to time.

To the Company: HealthStream, Inc.
500 11th Avenue North, Suite 850
Nashville TN 37203

To the Grantee: The address then maintained with respect to the Grantee in the Company's records.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed effective as of the day and year first above written.

HEALTHSTREAM, INC.:

Robert A. Frist, Jr.

Robert A. Frist, Jr.
Chairman and Chief Executive Officer

GRANTEE:

____
{Name}

[signature page to Non-Qualified Stock Option Agreement]

EXHIBIT 31.1

CERTIFICATION

I, Robert A. Frist, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of HealthStream, Inc.;

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: August 6, 2026	/s/ ROBERT A. FRIST, JR.
	Robert A. Frist, Jr.
	Chief Executive Officer

CERTIFICATION

I, Scott A. Roberts, certify that:

1. I have reviewed this quarterly report on Form 10-Q of HealthStream, Inc.;

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: August 6, 2026

/s/ Scott A. Roberts
Scott A. Roberts
Chief Financial Officer

EXHIBIT 32.1

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 of HealthStream, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Robert A. Frist, Jr., Chief Executive Officer of the Company, certifies, 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 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Robert A. Frist, Jr.

Robert A. Frist, Jr.
Chief Executive Officer
August 6, 2026

EXHIBIT 32.2

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 of HealthStream, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), Scott A. Roberts, Chief Financial Officer of the Company, certifies, 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 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SCOTT A. ROBERTS
Scott A. Roberts
Chief Financial Officer
August 6, 2026