HealthStream

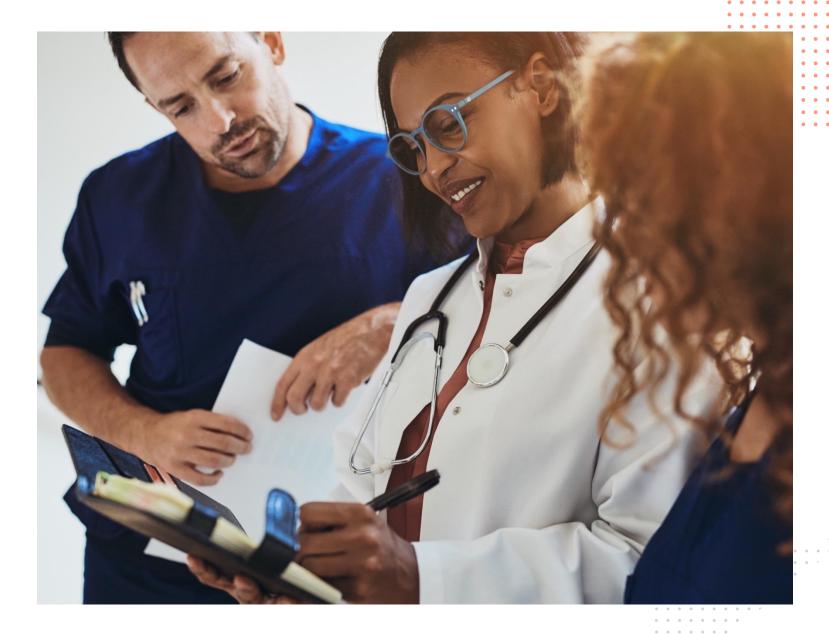
Q4 & Full-Year 2021 Investor Presentation



Safe Harbor Statement

This presentation includes certain forward-looking statements (statements other than solely with respect to historical fact), including statements regarding expectations for the financial performance for 2022 that involve risks and uncertainties regarding HealthStream. These statements are based upon management's beliefs, as well as assumptions made by and data currently available to management. This information has been, or in the future may be, included in reliance on the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such results or events predicted in these statements may differ materially from actual future events or results. The forward-looking statements are subject to significant uncertainties and other risks referenced in the Company's Annual Report on Form 10-K and in the Company's other filings with the Securities and Exchange Commission. Consequently, such forward-looking information should not be regarded as a representation or warranty by the Company that such projections will be realized. Many of the factors that will determine the Company's future results are beyond the ability of the Company to control or predict. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. The Company undertakes no obligation to update or revise any such forward-looking statements.





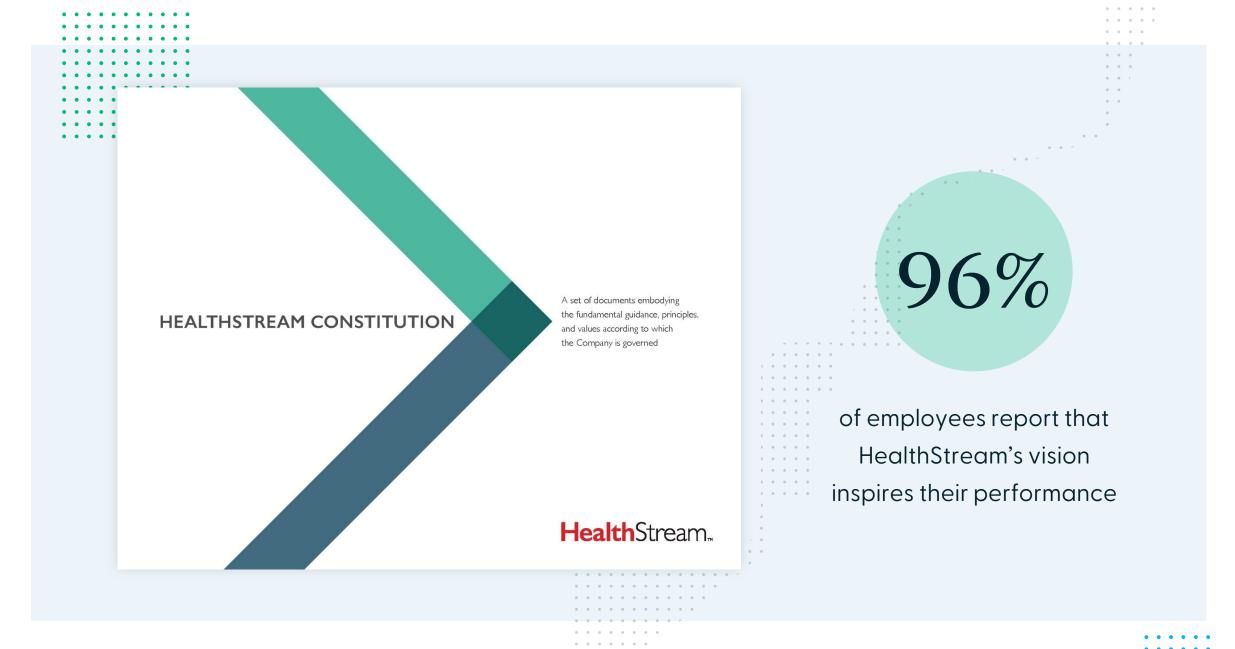


"High-quality healthcare depends on a highly trained and engaged workforce."

American Hospital Association, 2019







HealthStream Overview

Nasdaq: HSTM

MARKET LEADER

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

GROWING DEMAND

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

STRONG FINANCIALS

- Market Cap: \$751.496M
 (as of 21 February 2022)
- 2021 Revenues: \$256.7M; adjusted EBITDA: \$52.7M
- Strong balance sheet:
 \$51.9M cash (as of 4Q 2021);
 \$65M unused credit facility;
 no debt
- Quarterly Adjusted EBITDA: \$12.0M (as of 4Q 2021)

(All metrics are "approximate.")



Focused on the Healthcare Industry and its Workforce

\$4.1 trillion industry

19.7% of GDP

Hospital Care = approx. 1/3

Fastest growing sector of U.S. economy

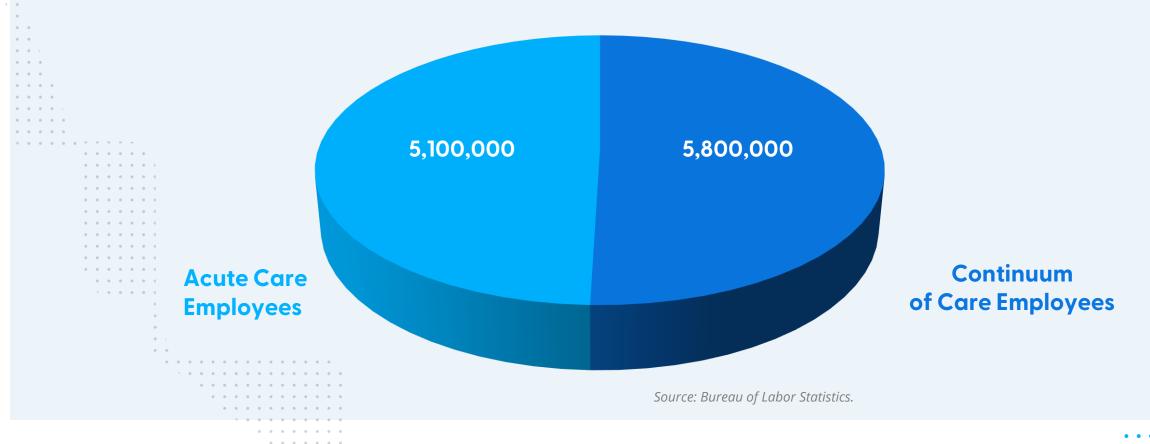
2011+
employees

5.1M = Acute care-based

5.8M = Non-Acute care-based

Target Market

ORGANIZATIONS THAT EMPLOY, COLLECTIVELY, APPROXIMATELY 10,900,000 HEALTHCARE PROFESSIONALS





Healthcare Organizations Use HealthStream Solutions to:



- Meet Compliance Requirements
 - Manage Credentialing & Privileging Workforce
 - Increase Resuscitation Outcomes
 - Optimize Workforce Scheduling
 - Manage Talent
- Develop Clinical Workforce

Three Solution Groups Positioned to Leverage PaaS-enabled hStream Platform

Learning and Development (L&D)

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

Jane® by HealthStream®

Provider Solutions

- 4Q 2021 Revenues (Provider Solutions) up ~10.8% over prior year quarter
- A market leader in credentialing and privileging

CredentialStream

Scheduling and Capacity Management (S&CM)

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





hStream platform











CUSTOMER SPOTLIGHT

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

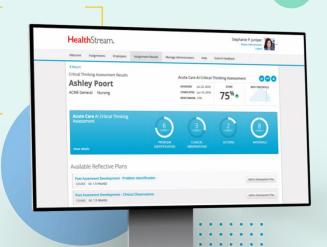
Beckers Healthcare



Real Time Shift Management







KEY TAKEAWAY

Medical errors have become the third leading cause of death in the U.S. each year, behind cancer and heart disease.

Institute for Healthcare Improvement



CUSTOMER SPOTLIGHT

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

Shannon Bowden

Contracting and Credentialing Manager, Ideal Option

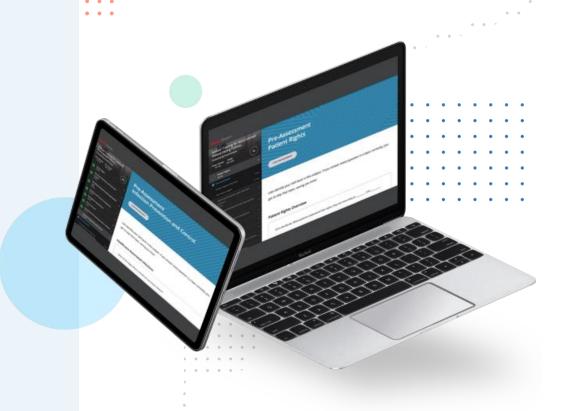


KnowledgeQ: Comprehensive Compliance Solution

Required OSHA and Joint Commission Training

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





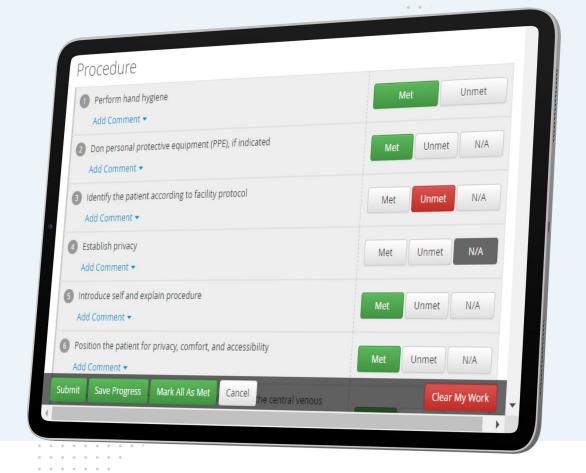




Checklist: Critical Validation of Nursing Skills

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







75+

WORLD CLASS PARTNERSHIPS

20K+ **COURSE LIBRARY**































echelon .

Established, Nation-wide Customer Base

















Recent Developments to Grow Profitability

MANY CHALLENGES NOW BEHIND US

Converting to hStream Subscriptions

Firm Technology Viability:

Approx. 5.04 million hStream subscriptions, as of 4Q 2021 Transitioning
Customers to New
VerityStream
Application

Compelling Product Adoption:

Over 440 customers on new VerityStream application; sales continue Replacing Existing with New Resuscitation Solutions

Strong Market Acceptance:

Red Cross Suite has customers in all 50 states; Certification accepted



Converting to hStream Subscriptions



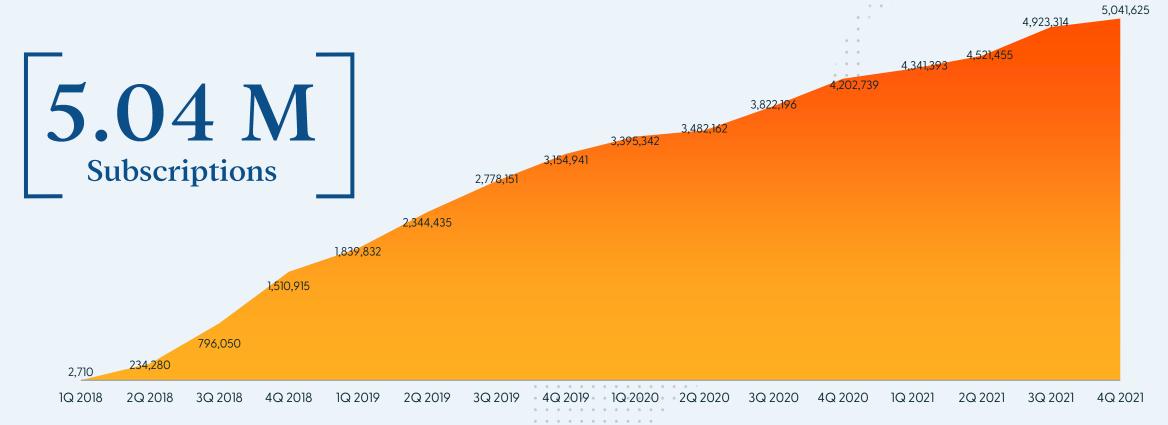


hStream is the essential technology working behind the scenes that powers all activity in the HealthStream ecosystem.

LAUNCHED APRIL 30, 2018



Platform as a service





Transitioning Customers to New VerityStream

Application



Modernizing Credentialing & Privileging











October 2012

March 2015

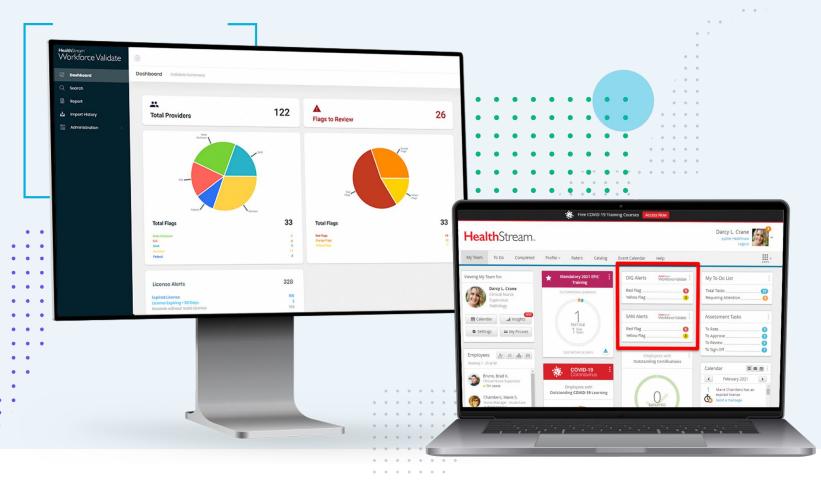
August 2016

December 2019



CredentialStream: Innovating to Streamline Credentialing Tasks

CredentialStream











American Red Cross Resuscitation SuiteTM

Adaptive

Reduce seat time through personalized learning plans

Flexible

Choose your preferred skills practice interval by student group

Easy

Improved tools for leaders and managers to achieve compliance



Approx.

400,000

Certifications Earned

(as of 4Q 2021)

Over

7,600

Brayden Pro Manikins Deployed

(as of 4Q 2021)

Over 5,000 U.S.

Healthcare
Facilities
Have Embraced
The Smarter, More
Flexible Choice







HealthStream...

For Immediate Release:

PRESS RELEASE

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

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

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

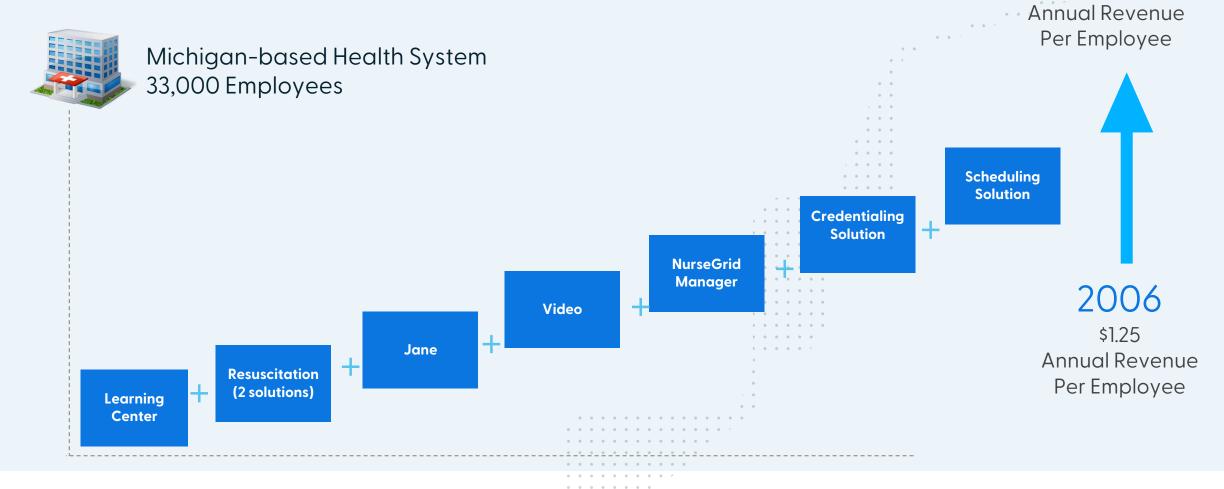


High-level Growth Strategies

- 1. Expand Customer Network; Add new customers
- 2. Increase the value of each account: Provide more solutions to each customer; Cross-sell
- 3. Grow new revenue streams via PaaS capabilities
- 4. Inorganic growth



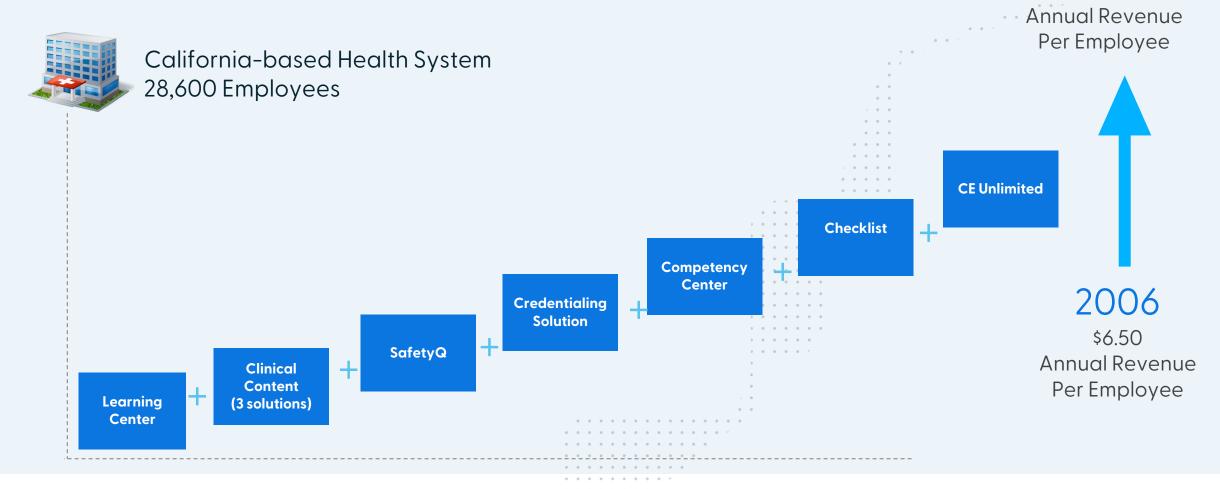
Case Study in Growth





\$42.52

Case Study in Growth

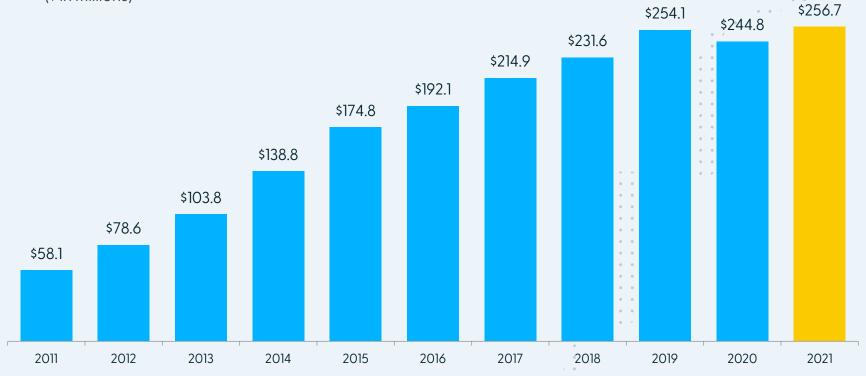




\$49.78

Revenue*

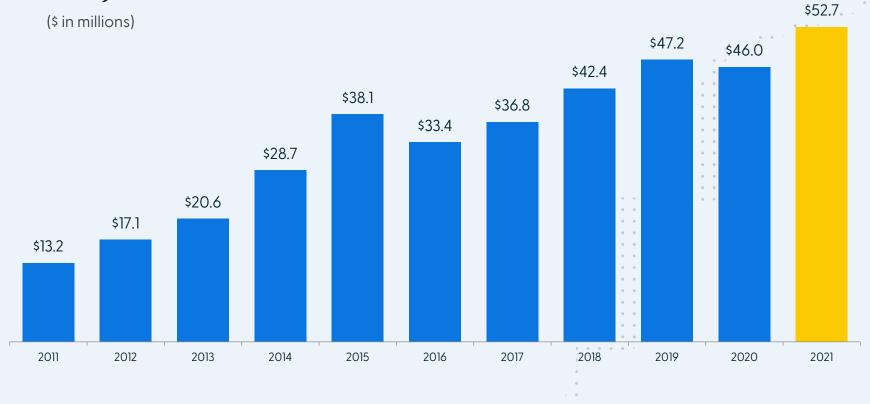
(\$ in millions)



 $^*2011\text{-}2018\ Full-Year\ revenue\ metrics\ adjusted\ retroactively\ to\ exclude\ PX\ business.$



Adjusted EBITDA*



- * (1) Adjusted EBITDA is a non-GAAP measure. See "Disclaimers: Financial Information." A reconciliation of Adjusted EBITDA to net income, the corresponding GAAP financial measure, is provided in the Appendix hereto.
 - (2) 2011-2018 Full-Year Adjusted EBITDA metrics adjusted retroactively to exclude PX business.



Independent Research Coverage



Initiated July 2015





Initiated November 2011



Initiated June 2016



Initiated January 2020





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