



## Investor Presentation

Nasdaq: STRM

# Disclosure Statement

## **SAFE HARBOR STATEMENT: FORWARD-LOOKING DISCLOSURE**

This presentation contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, based on current management expectations. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and that can cause Streamline Health’s actual results to differ. We caution you therefore to not place undue reliance on such statements.

Actual results might differ materially from these statements due to a number of risks and uncertainties. Risks that may contribute to the uncertain nature of these statements are described in Streamline Health’s periodic filings made with Securities and Exchange Commission. Special attention is directed to the portions of those documents entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” Streamline Health undertakes no obligation to update any forward-looking statements or relevant risks, except as may be required by law.

## **TRADEMARKS**

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# The Hospital Revenue Cycle is Wildly Inefficient

Hospital billing efficiency is throttled by its coders' ability to navigate the complexities of ICD-10 – a classification system with >130,000 unique codes, based on limited, inconsistent information from clinical staff.

## Antiquated Processes

Slow, repetitive, manual processes result in inaccurate data.

## Coding Complexity

>130,000 unique billing codes

## Regulatory Complexity

Coding errors can result in missed revenue or create regulatory risks.

## Staffing Constraints

Hospitals need an army of coders to keep up with demand. Each day a case isn't billed negatively impacts cash flow.

## Minimal Auditing

Most providers audit only a handful of cases – and primarily after they've been billed.

Providers are forced to  
**SACRIFICE BILLING ACCURACY**  
for expediency

# Typical 350 Bed Hospital

## Waste and Inefficiency in the Hospital

### Front of Cycle

#### Patient Access (30+ Headcount)

- Address/ID Validation
- ABN
- Registration Quality
- Price estimation
- Insurance discovery
- Prior authorization
- Patient portal/payments
- Scheduling
- POC Collections

### Middle of Cycle

#### Charge Integrity (5+ Headcount)

- Chargemaster
- Charge Capture
- Charge Reconciliation
- Abstracting
- CDI

#### Coding (45+ Headcount)

- Coding
- Auditing

### Back of Cycle

- Billing/Bill Scrubbing (~50 Headcount)
- Payment Processing (3-5 Headcount)
- Denials Management (10+ Headcount)
- A/R Follow Up (10+ Headcount)
- Patient Engagement (1-2 Headcount)

~170 Headcount to manage financial outcome for a patient

Waste in the back of the cycle



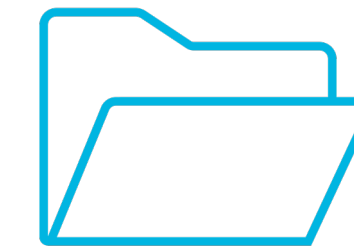
# We Streamline Revenue Cycle Management

Our innovative software solutions, like RevID™ and eValuator™ improve documentation and coding accuracy, resulting in optimized cash flow and improved financial performance.

Patient  
Record



Output from any Hospital Electronic Health System (EHR) System; e.g., Epic, Cerner, Allscripts



Organize

Abstracting & Physician Query



Optimize

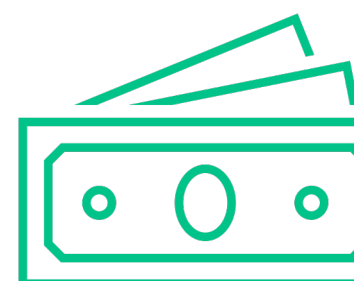
Clinical Documentation Improvement (CDI) & RevID™



Evaluate

eValuator™ cloud-based pre-bill coding analysis

Compliant  
Revenue





# Our Offerings

## Services

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**Audit & Coding Services** – Best-of-breed outsourcing for ICD-10 coders and auditors supported by eValuator

**RCM Consulting** – High-level structure & strategy, staff augmentation, system optimization, project management, etc.

**Integration Services** – For Streamline technologies and EHR implementations

## SaaS Solutions

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**Chargemaster** – Automated maintenance and management tool for a provider's complete list of services and prices offered

**Compare** – Continuously automates comparison of multiple software systems to identify errors and discrepancies

**RevID** – Automated charge reconciliation tool, identifies discrepancies between a providers' clinical and billing departments to ensure all medical services are billed

**eValuator** – pre-bill ICD-10 code analysis that enables 100% of records to be audited prior to billing

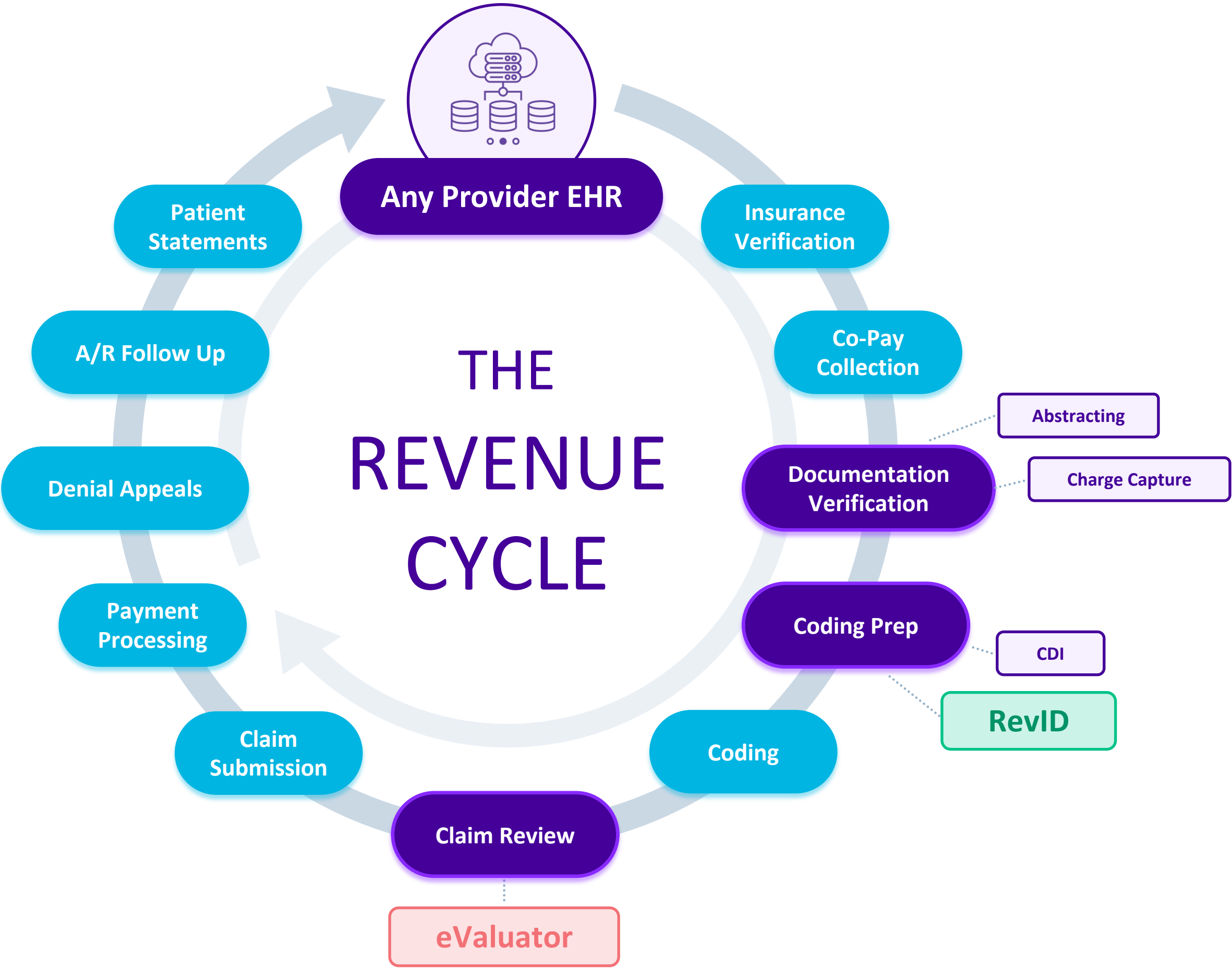
## Legacy Software

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**Abstracting** – Acute care chart abstracting suite

**Coding & CDI** – Clinical Documentation Improvement and workflow engine, enables secure remote work and powerful reporting

# Unique Offerings in a Growing Industry



RevID & eValuator TAM  
**\$900M+**

Total Addressable Market for Streamline’s marketed SaaS software solutions in the US across **579 accounts\***

\*Source: Definitive Healthcare, Existing company pricing

**streamline** HEALTH<sup>®</sup>

# Financial Performance is Dictated by Coding Accuracy

eValuator™ – Leading a Movement to Pre-Bill Coding Optimization Through Technology

## Historical Approach

# 2-4%

- Pre- or post-bill audits of 2-4% of cases
- Small number of randomly selected cases
- Limited window to resubmit for missed revenue or correct overbilling
- No opportunity to optimize 95% of cases

Approximately 80% of the market only audits their cases post-bill

## New Best Practice

# 100%

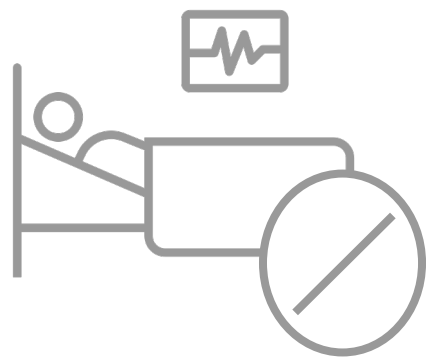
- Automated pre-bill analysis of Every Record
- Identifies coding issues that indicate revenue leakage and compliance exposure
- Routes to auditor, with recommended corrections
- All prior to billing with virtually no impact on “Days Not Final Billed”





# How eValuator’s Automated Pre-Bill Coding Analysis Impacts Revenue

**Patient A**  
(No Safety Net)



Documentation Confirms	Initial Coding Reflects	Submitted Coding	Reimbursement
<ul style="list-style-type: none"><li>COVID-19</li><li>Shortness of breath</li><li>Congestive heart failure</li><li>Diabetes with high blood sugar</li></ul>	<ul style="list-style-type: none"><li>COVID-19</li><li>Shortness of breath</li><li>Congestive heart failure</li><li>Diabetes with hyperglycemia</li></ul>	<ul style="list-style-type: none"><li>DRG-179</li></ul>	\$7,504
<ul style="list-style-type: none"><li>COVID-19</li><li>Shortness of breath is due to acute exacerbation of chronic congestive heart failure</li><li>Diabetes with high blood sugar</li></ul>	<ul style="list-style-type: none"><li>COVID-19</li><li>Acute on chronic congestive heart failure (MCC)</li><li>Diabetes with hyperglycemia</li></ul>	<ul style="list-style-type: none"><li>DRG-177</li></ul>	\$14,355

**Patient B**  
(eValuator™ Optimized)



# eValuator Generates Significant ROI

## ROI in Total Financial Impact

M Health Fairview (Minneapolis, MN)  
2,276 Beds; IP and OP (Epic)



11.6x

Memorial Hermann (Houston, TX)  
4,000 Beds; IP and OP (Cerner)



20.2x

University of Louisville (Louisville, KY)  
1,209 Beds; IP and OP (Cerner/Allscripts)



5.4x

Cooper University (Camden, NJ)  
574 Beds; IP (Epic)



7.6x

Vidant Health (Greenville, NC)  
1,297 Beds; IP and OP (Epic)



6.6x



# Improving Revenue Reconciliation with RevID

Eliminating lost revenue through automated charge reconciliation



Cloud-based Identification of Charge Capture Discrepancies



Eliminates revenue leakage before claims are processed.



Utilizes proprietary algorithms to compare posted charges/billing against clinical information.



Streamlines workflow by automating the revenue cycle.



# How RevID's Automated Charge Reconciliation Impacts Revenue



**Hospital A**  
No Charge Reconciliation Process

Initial Charge Capture

Primarily manual review limited by staff member's knowledge, attention to detail and other factors

Submitted for Billing

Incomplete claims don't request reimbursement for missed services

Impact

Revenue leakage drains millions in legitimate income



**Hospital B**  
with  RevID

Automation using algorithms compares all posted charges against documentation & billing data

Corrected claims accurately reflect all provided services and subsequent charges are billed

Accurate bills ensure optimized financial performance





# RevID Generates Significant ROI

Providers of All Sizes See Strong ROI in terms of Total Financial Impact

ROI in Total Financial Impact

13,000 Bed Hospital System

54x

900 Bed Hospital System

55x

661 Bed Hospital System

36x

73 Bed Hospital

26x



## Competitive Landscape



eValuator is the only true pre-bill ICD-10 code audit tool, though some competitive coding services and technology exist



RevID is the only existing health system automated charge reconciliation technology. If providers want to reconcile their charges today without RevID it is a complex, manual process.



**No Direct  
Competition**

**streamline HEALTH®**

# Multi-Channel Go-To Market Strategy

## Direct Channel

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Regional Vice Presidents supported by internal business development resources

- Direct channel consists of 4 experienced RVPs led by 40 year HCIT sales veteran Amy Sebero
- Each RVP has a dedicated business development representative
- Sales organization supported by talented marketing function

## Partner Channel

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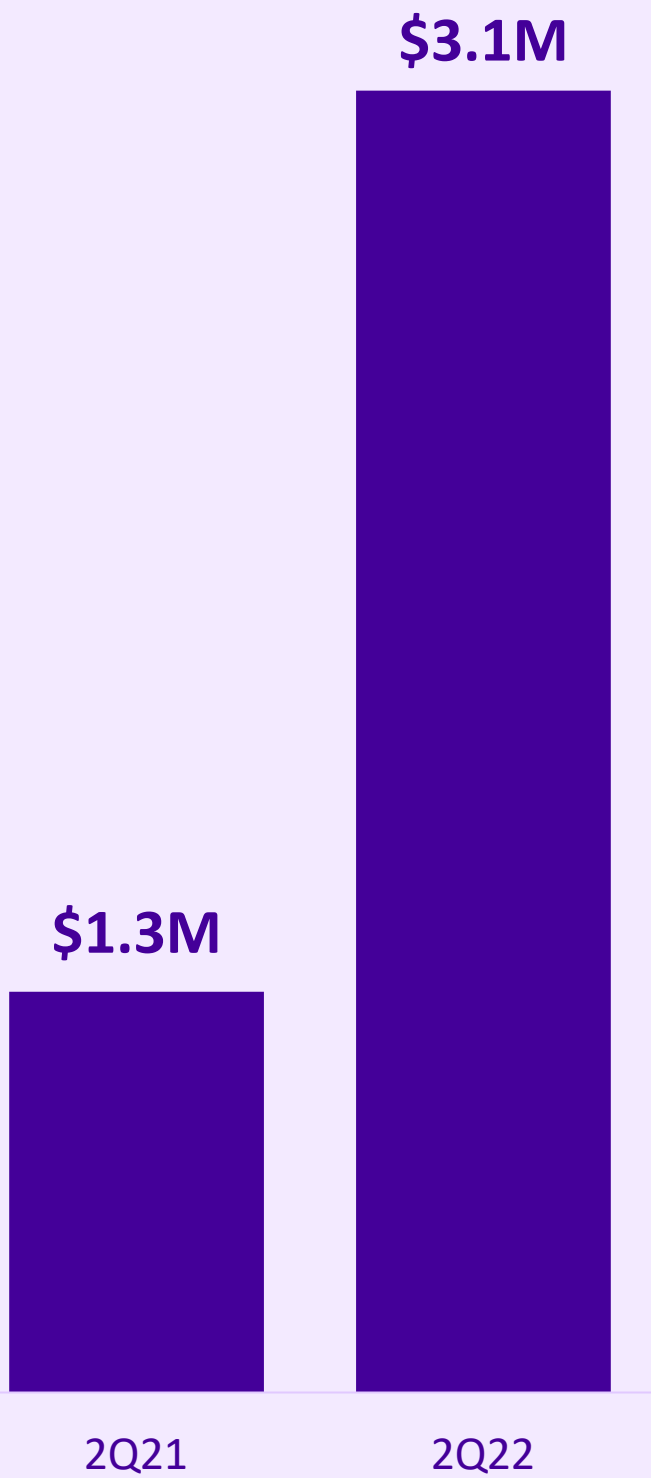
Corporate Development generating and nurturing strategic partnerships

- Existing partnership relationships with major audit firms, EHR reseller agreements and RCM service leaders
- Partners collaborate with RVPs to increase bookings velocity
- Working to cross pollinate existing partnerships between eValuator and legacy Avelead



# Recent Financial Highlights

## SaaS Revenue



138% Growth of SaaS revenue in 2Q22 vs 2Q21. Driven by the acquisition of Avelead.

\$12.5M

Fiscal 2022 New SaaS Bookings as of July 31, 2022

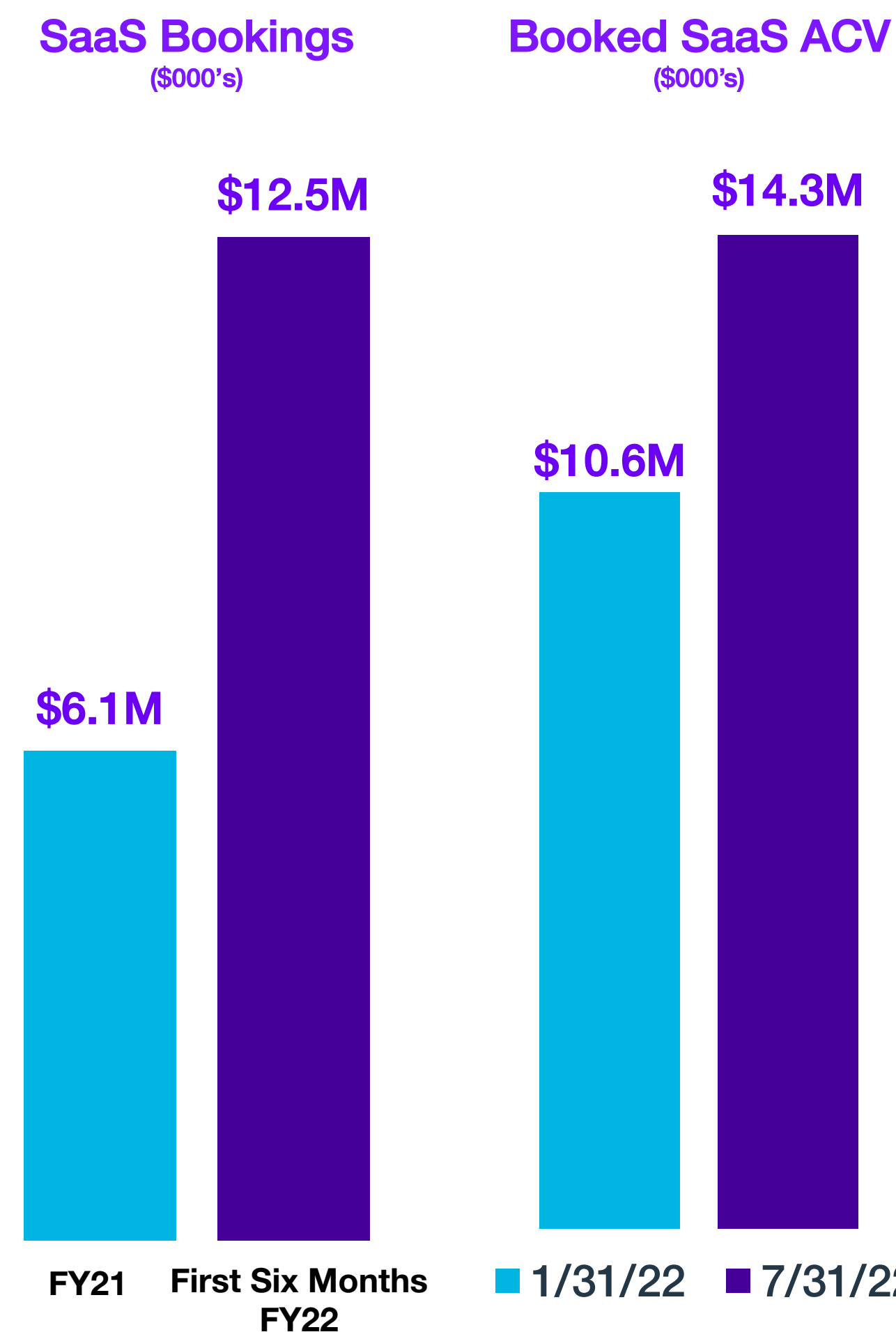
\$14.3M

Booked SaaS ACV as of 7/31/22 vs \$10.6M as of 1/31/22



# Breakout Bookings Performance in FY22

	Q1	Q2	Q3	Q4	Total
<b>FY2022</b>					
Software as a Service	\$ 8,024,000	\$ 4,448,000	\$ -	\$ -	\$ 12,472,000
System Sales	-	52,000	-	-	52,000
Professional Services	839,000	576,000	-	-	1,415,000
Audit Services	-	37,000	-	-	37,000
Maintenance and Support	-	39,000	-	-	39,000
<b>Total FY2022 Bookings</b>	<b>\$ 8,863,000</b>	<b>\$ 5,152,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,015,000</b>
<b>FY2021</b>					
Software as a Service	\$ 1,725,000	\$ 1,455,000	\$ 750,000	\$ 2,199,000	\$ 6,129,000
System Sales	135,000	-	143,000	296,000	574,000
Professional Services	199,000	150,000	661,000	4,352,000	5,362,000
Audit Services	386,000	22,000	227,000	255,000	890,000
Maintenance and Support	135,000	-	308,000	486,000	929,000
<b>Total FY2021 Bookings</b>	<b>\$ 2,580,000</b>	<b>\$ 1,627,000</b>	<b>\$ 2,089,000</b>	<b>\$ 7,588,000</b>	<b>\$ 13,884,000</b>



# Financial Results

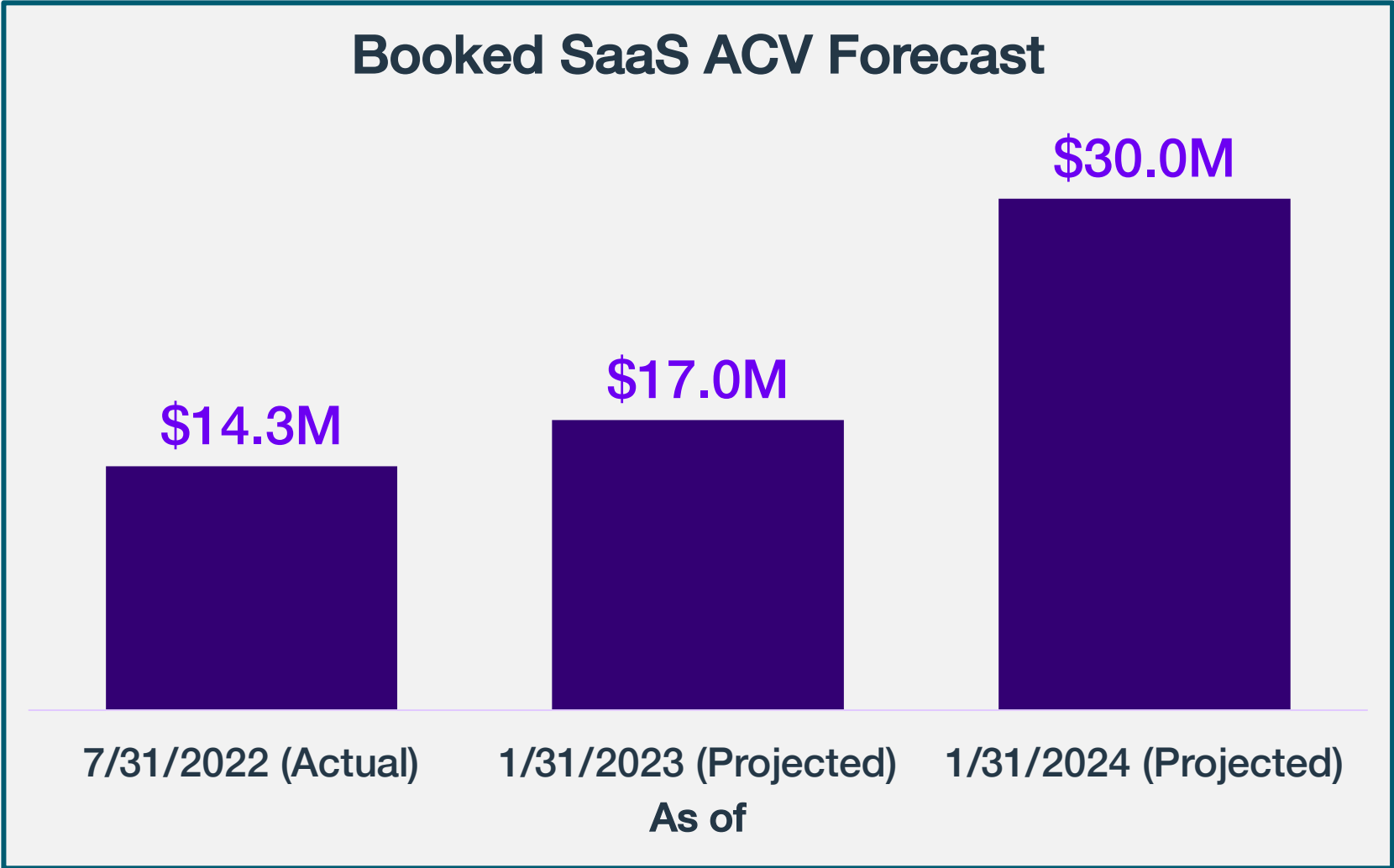
	Second Quarter 2022 Three Months Ended July 31, 2022	Second Quarter 2021 Three Months Ended July 31, 2021	First Half 2022 Six Months Ended July 31, 2022	First Half 2021 Six Months Ended July 31, 2021
<b>Revenue</b>	<b>\$6.0M</b>	<b>\$2.9M</b>	<b>\$11.9M</b>	<b>\$5.8M</b>
<b>Operating Expenses</b> <i>(including transaction costs)</i>	<b>\$8.6M</b>	<b>\$5.3M</b>	<b>\$17.8M</b>	<b>\$10.7M</b>
<b>Loss From Continuing Operations</b> <i>(including transaction costs and forgiveness of PPP Loan)</i>	<b>(\$3.3M)</b>	<b>(\$0.1M)</b>	<b>(\$6.0M)</b>	<b>(\$2.5M)</b>
<b>Net Loss</b>	<b>(\$3.3M)</b>	<b>(\$0.1M)</b>	<b>(\$6.1M)</b>	<b>(\$2.2M)</b>
<b>Adj. EBITDA</b>	<b>(\$1.1M)</b>	<b>(\$0.8M)</b>	<b>(\$2.4M)</b>	<b>(\$1.4M)</b>

Streamline Health defines “adjusted EBITDA” as net earnings (loss) plus interest expense, tax expense, depreciation and amortization expense of tangible and intangible assets, stock-based compensation expense, significant non-recurring operating expenses, and transactional related expenses including gains and losses on debt and equity conversions, associate severances and related restructuring expenses, associate inducements, and professional and advisory fees. Please see the appendix for a reconciliation of non-GAAP Adjusted EBITDA to GAAP Net Income.

# Profitability at Scale

- 30%+ Adj. EBITDA Margins**  
STRM anticipates the existing business can generate adjusted EBITDA margins in excess of 30% at scale
- STRM reaches breakeven at \$17M of SaaS ARR**  
Beyond this point, incremental SaaS revenues generate significant cash flow
- Scale is Achievable within 12-24 months**  
Anticipate exiting FY22 with \$17M of Booked SaaS ACV, and exiting FY23 with >\$30M of Booked SaaS ACV

STRM Economics at Scale	
Consolidated STRM Revenue	100%
Cash Gross Profit	61%
Cash Operating Expenses	(31)%
Adjusted EBITDA	30%
Cap SW Development	(6)%





## Clean Capital Structure

### Cash & cash equivalents

(as of 7/31/22, Pro Forma October 2022  
Equity Raise)

\$14.2M

### Debt

(as of 7/31/22)

\$10.0M

5-year term loan with favorable repayment terms

### Common Stock

(as of 7/31/22, Pro Forma October 2022  
Equity Raise)

55.1M shares outstanding





# streamline HEALTH<sup>®</sup>

## Investor Presentation

Nasdaq: STRM

# Reconciliation of Adjusted EBITDA to Net income

	Three Months Ended		Six Months Ended	
	July 31, 2022	July 31, 2021	July 31, 2022	July 31, 2021
<b>Loss from continuing operations</b>	<b>\$ (3,272,000)</b>	<b>\$ (71,000)</b>	<b>\$ (6,059,000)</b>	<b>\$ (2,534,000)</b>
Interest expense	189,000	9,000	321,000	22,000
Income tax benefit	2,000	(4,000)	13,000	5,000
Depreciation	13,000	16,000	27,000	37,000
Amortization of capitalized software development costs	418,000	478,000	847,000	984,000
Amortization of intangible assets	528,000	116,000	1,056,000	231,000
Amortization of other costs	117,000	126,000	229,000	242,000
<b>EBITDA</b>	<b>\$ (2,005,000)</b>	<b>\$ 670,000</b>	<b>\$ (3,566,000)</b>	<b>\$ (1,013,000)</b>
Share-based compensation expense	331,000	557,000	657,000	1,122,000
Non-cash valuation adjustments	475,000	-	(25,000)	-
Non-routine Costs	49,000	336,000	139,000	777,000
Forgiveness of PPP Loan and accrued interest	-	(2,327,000)	-	(2,327,000)
Other non-recurring operating expenses	(19,000)	-	(67,000)	16,000
Severance Expense	73,000		484,000	
<b>Adjusted EBITDA</b>	<b>\$ (1,096,000)</b>	<b>\$ (764,000)</b>	<b>\$ (2,378,000)</b>	<b>\$ (1,425,000)</b>