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This presentation also contains estimates and other statistical data made by independent parties and by the Company relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by independent parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the markets in which it competes are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These other factors could cause results or outcomes to differ materially from those expressed in the estimates made by the independent parties and by Health Catalyst.

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Health Catalyst Overview

We are a leading provider of data and analytics technology and services to healthcare organizations

Comprehensive Solution

1. Data Platform
   Integrate data in a flexible, open, and scalable platform

2. Applications
   Deliver insights on how to measurably improve

3. Services Expertise
   Enable and accelerate data-informed improvement

Our clients, which are primarily healthcare providers, use our Solution to manage their data, derive analytical insights to operate their organizations, and produce measurable clinical, financial, and operational improvements
Our mission is to be the catalyst for massive, measurable, data-informed healthcare improvement.

Our flywheel represents how we accomplish our mission with each client—our company strategy.
**Investment Highlights**

**Recognized industry leader in healthcare data & analytics**

- ~$1T (1) TAM
- $8B+ (2) WASTE

**Comprehensive solution: data platform, applications & services expertise**

- >300 DATA SOURCES
- Up to 100 TBs / CLIENT
- 12 APP SUITES + LIBRARY
- >1,000 ANALYTICS & DOMAIN EXPERTS

**Measurable clinical, financial & operational improvements**

- $1.5B IMPROVEMENTS
- 350+ CLIENT CASE STUDIES
- 94th-99th (3) PERCENTILE ENGAGEMENT
- 89 BEST PLACE TO WORK AWARDS

**World-class team member engagement**

- >90% (4) RECURRING REVENUE
- 100%-112% (5) DOLLAR-BASED RETENTION RATE
- FY2023E Adj. EBITDA POSITIVE
- 2028 REVENUE/Adj. EBITDA TARGET $500M+/ $100M+

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(2) Health Catalyst has multiple new offerings in Tech-enabled Managed Services (TEMS), an offering area in which we have seen materially more sales and pipeline traction over the last several quarters. As a result, we are assessing the TAM (Total Addressable Market) for these offerings. Our current expectation is that the company’s total TAM is materially higher than previously estimated as a result of these TEMS offerings. More details will be provided over time.

(3) As of September 2023

(4) In 2023

(5) Overall range from 2017 – 2023 for DOS Subscription Clients, as further defined in our Form 10-K (e.g., excludes clients acquired in Medicity, Able Health, Healththrive, Vitalsave, Twistle, KPI Ninja, ARMUS and ERS acquisitions and other non-DOS Subscription Clients).
We Solve the Key Problems Facing Healthcare Today

**Waste & Financial Pressure**
- A volume-based US healthcare reimbursement model with $1 trillion/year of waste (1) continues to put pressure on providers’ operating margins
- This has led insurers to change to a value-based reimbursement model, but this will take time

**Changing Economics**
- During the next few decades, both margin pressure and the move to value-based care present economic complexity and change that require data, analytics & improvement expertise

**Data Complexity**

Managing this long-term challenge and complexity requires a strategic partner who offers an end-to-end, comprehensive solution across data, analytics & improvement, allowing health systems to focus on their core competency of care delivery

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(1) According to estimates in 2019. Research estimates 25% of U.S. healthcare spending is wasteful in nature, implying approximately $1 trillion of waste amongst $3.8 trillion of total healthcare expenditure in 2019
Blue Chip Client Base

>630 clients\(^{(1)}\) include academic medical centers, integrated delivery networks, community hospitals, large physician practices, ACOs, health information exchanges, health insurers, and other risk-bearing entities.

(1) 2023 figure; total clients inclusive of DOS Subscription and Other clients

Note: Representative client list
## Externally-Validated Industry Leadership

### Broad Recognition

- **Chilmark Healthcare Analytics Report**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Product Grade</th>
<th>Market Grade</th>
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<td>SPI Analytics</td>
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(2) Similar to a net promoter score, as of 12/31/22. Overall evangelism score is an average of each Health Catalyst solution’s average evangelism scores.

### KLAS Evangelism Score

- **44**

- **32**

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Health Catalyst Solution for Data-informed Improvement

Simplify and focus on 5 core areas of differentiated client value. With every client and across every solution, ensure that consistent, measurable improvement goals are set, achieved, and communicated regularly.

### Use Case Areas of Focus

#### Clinical Improvement

<table>
<thead>
<tr>
<th>Technology</th>
<th>Services</th>
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<tbody>
<tr>
<td>Embedded Refills</td>
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<tr>
<td>Twistle Patient Engagement</td>
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<tr>
<td>Analytics accelerators in pareto areas of clinical improvement</td>
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</tbody>
</table>

**Domain Expertise:**
- Clinical improvement
- Patient flow
- Perioperative supplies
- Population health
- Care management
- Patient safety

**TEMS:**
- Improvement

#### Revenue & Cost Improvement

<table>
<thead>
<tr>
<th>Technology</th>
<th>Services</th>
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<tr>
<td>VitalIntegrity</td>
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<td>VitalCDM</td>
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<td>VitalKnowledge</td>
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<td>PowerLabor</td>
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<tr>
<td>Hospital Price Index</td>
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</tbody>
</table>

**Domain Expertise:**
- Labor management
- Supply chain
- Charge capture
- Claims denial
- Revenue cycle

**TEMS:**
- Costing
- Chargemaster mgmt

#### Ambulatory Operations

<table>
<thead>
<tr>
<th>Technology</th>
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<td>Hospital Price Index</td>
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</table>

**Domain Expertise:**
- Provider productivity
- Patient access
- Quality metrics
- Value-based care contract performance

**TEMS:**
- Ambulatory operations
- Practice management

#### Infrastructure Areas of Focus

### Measures & Registries

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<thead>
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<th>Technology</th>
<th>Services</th>
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<tr>
<td>MeasureAble</td>
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<td>ARMUS registries</td>
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<td>CRStar cancer registry</td>
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<tr>
<td>Pop Analyzer</td>
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<tr>
<td>Value Optimizer</td>
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</tbody>
</table>

**Domain Expertise:**
- Measures

**TEMS:**
- Chart abstraction
- Registry submission

### Data & Analytics

<table>
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<tr>
<th>Technology</th>
<th>Services</th>
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<tr>
<td>Next-generation data and analytics platform and AI: more modularity, flexibility, scalability, and support</td>
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<tr>
<td>Expert Data Collections</td>
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<tr>
<td>Healthcare.AI</td>
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<tr>
<td>Ninja Universe</td>
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</tbody>
</table>

**Domain Expertise:**
- Healthcare.AI
- Visualization migration

**TEMS:**
- Data science
- Data and analytics engineering, operations, certification, strategy

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Measurable Data-Informed Improvement for 2024 Focus Areas
Examples from all 5 areas of focus

**Use Case Areas of Focus**

**Clinical Improvement**
- **$22M** cost savings and **$1.9M** in new revenue – improved patient flow*
- **$17.4M** AI-enabled patient blood management improvements
- **$3.4M** cost savings from automating medication refill processes

**Revenue & Cost Improvement**
- **$75M** cardiovascular service line cost savings*
- **$10M** revenue increase enabled by PowerCosting
- **$7.8M** charge capture improvements

**Ambulatory Operations**
- **$25.4M** revenue increase through improved patient access
- **$7M** cost savings over three and a half years
- **$2.2M** increase in revenue and 55K care gaps closed*

**Infrastructure Areas of Focus**

**Measures & Registries**
- **38%** relative improvement in quality scores
- **10% to 25%** reduction in abstraction time
- **93%** percent inter-rater reliability*

**Data & Analytics**
- **$32.2M** cost reduction through AI-enabled care management
- **$10M** AI-enabled variable cost reduction
- **>$3M** indirect labor cost savings*

*Enabled by TEMS (Technology Enabled Managed Services (TEMS))
Meaningful Investment in the Scalability, Modularity and Flexibility of Our Next-Generation Data Platform

Best-in-class standardized platforms complimented by best-in-class open platforms

Best-in-class standardized platforms
- Standardized use case excellence
- Operational excellence (speed, cost, scale)

Best-in-class open platforms
- Tailorable for healthcare
- Optimized to support your highest value use cases

Winning Position

- A “Standardize to Customize” approach from acquisition through analytics –
  - Built for today and the future –
Next-Generation Data Platform: *Highlights*

- Integrated: End-to-end technology integration, Unified data model that is extensible, Interoperability
- Intelligent: Plug-and-play data acquisition, curation, & enrichment, Plug-and-play healthcare data quality, Embedded AI/ML
- Modern: Elastic compute, Event-driven processing, DataOps
- Extensible: Extensible data acquisition, curation, & enrichment, Prebuilt APIs & FHIR APIs, Extensible technology integration
- Accessible: Self-service reporting, Self-service data science, Enabling data scientists and other technical experts
Next-Generation Data Platform: Architecture

---

**Core Technologies**
- Snowflake
- Tableau
- PowerBI
- Qlik
- Splunk
- Okta
- Kieon
- plus more...

**Data and Analytics Platform**
- Data Landing to Data Lake
- Data Lake to Data Reservoir
- Acquisition
- Curation
- Enrichment
- Snowflake, APIs, S3, ADLS
- Publish

**Raw Data**
- Raw (Reflects Source)
- Billing / Claims
- Clinical
- Operational & Admin
- Common & Client Specific Sources (e.g., 3rd Party)
- Scientific & Medical Data
- Structural Validation
- Fully/Semi-Structured Data Streams
- Time & Event-Based Orchestration
- Events & Notifications

**Standardized & Normalized Data**
- Longitudinal Patient Record
- Quality Assured
- Harmonized (e.g., labs and units of measure)
- Common Terminologies & Ontologies
- Identity Management, Person Matching
- Obfuscation & Masking
- Tagging
- NLP, Image processing,...
- Machine Learning
- Re-usable & Extensible

**High Value Data**
- Public Transparency Measures (e.g., CMS), Derivatives, and Custom
- Conrots / Regorities
- Performance Management - Care Care & Ops
- Finance, Labor, Supply...
- Benchmarking
- Person Engagement
- Life Sciences
- Innovation & Research
- Supplemental Data - Death Index & Census
- National Provider

**Supported Technologies**
- Docker
- Core Registry
- Confluent
- Okta
- Splunk

**Legacy Data Platform**

**Next-Generation Data Platform**

**High Value Analytics**
- Strategic, Operational & Management Uses
  - Capabilities (e.g., Healthcare AI)
  - HCAT Self-Service (e.g., Pop Analyzer, Pop Insights)
  - HCAT Products (e.g., Power Budgeting, Value Optimizer)
  - 3rd Party (e.g., BI Tools, R/Python Notebooks)

**Transactional Uses**
- HCAT Products (e.g., Care Flow, Twistle)
- 3rd Party (e.g., EHR, Embedded)

**Data Marketplaces**

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Leveraging Healthcare.AI

Health Catalyst has invested in machine learning and augmented intelligence models over the past few years, primarily through its Healthcare.AI cloud-native platform

Healthcare.AI™ by Health Catalyst

- Deployment of machine learning/predictive models to optimize client workflows. Examples include:
  - Point of care (e.g., readmission prevention)
  - Point of service (e.g., financial assistance predictive models)
  - Revenue generation (e.g., marketing outreach)
  - Management (e.g., forecasting and budgeting)
  - Operations (e.g., COVID and staffing “war rooms”)
  - Effect estimation (e.g., drug/device/program evaluations)
- **Impact:** Helping healthcare leaders face an unprecedented list of increasingly critical issues across revenue, cost, and quality

Tailwinds

- Health Catalyst will continue to differentiate itself by leveraging cross-industry technologies and layering them on top of healthcare-specific content for end markets
- Anticipate AI integration will increasingly play a role in tech enablement and improved efficiency of TEMS relationships
- Importance of clean, comprehensive data sets for AI use cases serves as a long-term tailwind for our data platform
- The increasing prevalence of AI will increase the necessity for technology expert services as well as seamless integration with business intelligence tools

Generative AI

- Health Catalyst is actively leveraging Generative AI for internal efficiency use-cases including
  - Chart abstraction for registries and related submissions
  - Code generation and translation
- Generative AI can enable clients to make data-informed decisions to increase quality, speed, and cost of healthcare delivery
  - Building on Health Catalyst reputation of improvement, optimization, and ensuring aims are met
  - Helping clients convert hopes and concerns into plans and measurable improvement
Leveraging Healthcare.AI Cloud-Native Platform Module

High-Value Analytics Enables Users to See What Is Right In Front Of Them

- 96% of people draw meaningfully erroneous insights
- Improve >10x with Healthcare.AI
- True of analysts through board of directors
- True of people who are confident or question their abilities
- >75% of clients using Healthcare.AI for substantive decisions
- >90% of clients using Healthcare.AI for some purpose (including Data Quality)
- 5-25K calls per day
Highly Differentiated, Comprehensive Solution

Consulting
- Highly specialized
- Unable to sustain recommended improvements
- High cost given ad-hoc work

Point solution vendors
- Tailored to specific needs
- Modern technology/interfaces
- Difficulty breaking through hundreds of vendors
- Often closed platforms
- Difficulty growing sustainable businesses
- Lack domain expertise

Home grown solutions
- Control
- High start-up & maintenance costs
- Risk of failure
- Talent shortage

Cross industry tech companies
- Modern technology
- Little healthcare content
- Fluctuating healthcare commitment
- Not improvement focused

EMR vendors
- EMR integration
- Known vendor
- Rigid architecture, closed approach
- Slow time-to-value
- Not improvement focused

Comprehensive solution guiding our clients to greater levels of digital maturity, enabling clinical, financial, and operational improvements

(1) Health Catalyst has multiple new offerings in Tech-enabled Managed Services (TEMS), an offering area in which we have seen materially more sales and pipeline traction over the last several quarters. As a result, we are assessing the TAM (Total Addressable Market) for these offerings. Our current expectation is that the company’s total TAM is materially higher than previously estimated as a result of these TEMS offerings. More details will be provided over time.
Clients’ Realized Improvements Accelerate Over Time, Reinforcing Decisions to Renew and Expand

Together with our clients, celebrating an important milestone in our journey to fulfill our mission

$1.5B client-approved measurable healthcare improvements
5.4M lives positively impacted
2.9M care gaps closed
More
A Health Catalyst Success Story

Tech-Enabled Managed Services Improves Quality, Reduces Costs, and Optimizes Engagement

As the financial and operational burden of reporting quality measurement in healthcare continues to increase, systems such as Banner Health and Community Health Network (CHNw) look for options to ease their resource spend in this area. These organizations partnered with Health Catalyst in a tech-enabled managed services arrangement for clinical chart abstraction. The result: lower costs, increased value from data, and a positive experience for team members.

Challenges & Impact
- Huge and increasing demand for data collection and abstraction, driven by registry reporting
- Numerous clinicians involved in documentation, abstraction
- Data used only for reporting, not analysis for improvement
- **Impact:** Difficulty obtaining timely, accurate data; lost opportunity to learn from data; high costs of manual chart abstraction

Solution
- Leveraged DOS™ platform to automate the extraction of required data.
- Tech-Enabled Managed Services provided by Health Catalyst:
  - Clinical data abstraction
  - Data analysis: identify variation and trends in cost, quality, and productivity
  - Support for the prioritization of improvement opportunities

Results
Tech-Enabled Managed Services has improved data quality and yielded these measurable results:
- **15% reduction** in labor costs for clinical chart abstraction at CHNw
- **49% relative improvement** in clinical chart abstraction efficiency at Banner Health
- **30% relative improvement** in team member engagement
Carle Health: Long-term, Significant Partnership Expansion

Five-year Deal Signed in Dec 2022, Worth Up to ~$80M Over the Life of the Contract

“Carle Health is excited to announce this novel partnership with Health Catalyst. When combined with our own clinical expertise, Health Catalyst will help us transform the way we use data to support organizational decisions and improve patient outcomes. As a transformative health care system, it’s important that we lay the groundwork to ensure we’re able to provide the right solutions that blend data, analytics, and medical expertise to optimize the quality of care we provide for everyone who depends on us.”

- Matt Kolb (1), Executive Vice President, Chief Operating Officer at Carle Health

Partnership Expansion Overview

- Carle Health is an integrated health system based in Urbana, Illinois that includes 5 hospitals, multi-specialty physician group practices with >1,000 docs & Health Alliance Medical Plans
- Health Catalyst and Carle first entered a partnership in 2020. This five-year expansion includes an all-access technology subscription, plus tech-enabled managed services in the areas of analytics, data management, reporting, abstraction and project management
- This significant expansion makes Carle one of Health Catalyst’s largest enterprise & tech-enabled managed services clients

Contractual Terms

- Five-year deal with Carle Health, worth up to ~$80M over the life of the contract ($16M ARR)
- At $11M+ ARR expansion, it represents one of the largest expansion contracts in the company’s history
- The contractual growth is inclusive of both technology expansion and tech-enabled managed services (more heavily weighted toward this revenue stream)

Strengthening the Partnership

- Carle Health made recent decision to become a meaningful shareholder with the open market purchase of Health Catalyst common stock
- Matt Kolb (1), Executive Vice President and COO of Carle Health, was appointed to Health Catalyst’s Board of Directors, effective July 1, 2023

(1) Matt Kolb also serves as a member of our Board of Directors.
World-class Team Member Engagement

Health Catalyst benefits from highly-engaged team members with low turnover rates, which enables client satisfaction, renewal, and expansion.

Consistently Recognized as One of the "Best Places to Work"

2015 – 2023 Gallup Overall Engagement Score Percentile

KLAS Evangelism Score\(^1\)

Similar to a net promoter score, as of 12/31/22. Overall evangelism score is an average of each Health Catalyst solution’s average evangelism scores.
Experienced and Visionary Management Team

Daniel Burton
Chief Executive Officer and Director
Tenure at Health Catalyst: 13 years

Jason Alger
Chief Financial Officer
Tenure at Health Catalyst: 11 years

Tarah Neujahr Bryan
Chief Marketing & Communications Officer
Tenure at Health Catalyst: 11 years

TJ Elbert
SVP, Chief Data Officer, and GM of the Data Platform Business Unit
Tenure at Health Catalyst: 5 years

Kevin Freeman
Chief Commercial Officer
Tenure at Health Catalyst: 4 years

Leslie Falk
Chief Client Success Officer
Tenure at Health Catalyst: 11 years

Daniel Burton
Chief Executive Officer and Director
Tenure at Health Catalyst: 13 years

Jason Alger
Chief Financial Officer
Tenure at Health Catalyst: 11 years

Tarah Neujahr Bryan
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Tenure at Health Catalyst: 5 years

Kevin Freeman
Chief Commercial Officer
Tenure at Health Catalyst: 4 years

Leslie Falk
Chief Client Success Officer
Tenure at Health Catalyst: 11 years

Jason Jones
Chief Analytics and Data Science Officer
Tenure at Health Catalyst: 6 years

Ben Landry
General Counsel & Corporate Secretary
Tenure at Health Catalyst: 5 years

Dan LeSueur
Chief Operating Officer
Tenure at Health Catalyst: 12 years

Linda Llewelyn
Chief People Officer
Tenure at Health Catalyst: 11 years

Holly Rimmash
Chief Clinical Officer and SVP & GM of Clinical Quality
Tenure at Health Catalyst: 12 years

Dave Ross
Chief Technology Officer
Tenure at Health Catalyst: 3 years

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The Health Catalyst Operating Principles
The principles that govern our daily interactions

**Improvement**
- We are deeply committed to enabling our clients to achieve and sustain measurable clinical, financial, and operational improvements
- We nurture deep, long-term partnerships because achieving and sustaining improvement is a transformational journey (not a quick trip)
- We pragmatically prioritize innovations that accelerate improvement
- We attract, develop, and retain experts who know best practice in their domain, leverage analytics for insight, and accelerate adoption for sustained improvement

**Respect**
- We recognize the immeasurable value of every individual
- We listen carefully to one another and learn from each of our colleagues
- We care deeply about our colleagues, including teammates, clients, patients, and shareholders
- We benefit from one another’s diverse backgrounds and experiences, and are unified by our company’s mission

**Accountability**
- We are all accountable to ourselves and to one another to proactively show up every day in support of our company’s mission
- We make decisions that balance and optimize the interests of our teammates, clients, patients, and shareholders
- We avoid an entitlement mentality and are good stewards of our assets
- We don’t micro-manage and we show trust while also having high expectations of ourselves and of one another

**Transparency**
- We are honest and compassionate in our interactions with others and with ourselves, even if the truth is hard
- We strive to live up to the Health Catalyst Way in all settings
- We treat confidential information appropriately, and we protect the private data of our clients’ patients
- We recommend the best solutions for our clients whether or not those solutions come from Health Catalyst
The Health Catalyst Cultural Attributes
The attributes we prioritize in our hiring, retention, and promotion

**Continuous Learning**
- I can share with and learn from others
- I love to learn, and I am a lifelong student
- I recognize my mistakes and correct them quickly
- I seek and respond favorably to feedback and coaching
- I value my autonomy and use it to gain new knowledge and skills
- I recognize that diversity of perspectives leads to better decisions
- I am self-aware and seek improvement, personally and professionally
- I watch, listen, and learn from others; thank them for their teachings; and apply the teachings to the mastery of my profession; and I do the same for others

**Humility**
- I listen first
- I serve others without looking for recognition
- My first assumption with others is positive intent
- I often acknowledge others for their contributions
- I am secure in my own abilities (quiet self-confidence)
- I seek to improve myself before trying to improve others
- I am excited when others succeed, and I offer sincere praise
- I empower others to do their best and give proper credit to others
- I frequently express gratitude and appreciation to those around me

**Commitment**
- I stick to the task until the job is completed
- I recognize that not every part of my job will be fun
- I make personal sacrifices, as needed, to get the work done
- I am willing to contribute more than my fair share to a project
- I have a deep, long-term commitment to healthcare improvement
- I lead a balanced, healthy life that enables me to sustain my pace

**Excellence**
- I strive for excellence and quality in all aspects of my work; I show up to fulfill my role in the company’s mission to the best of my ability
- I recognize the importance of excellence in pursuit of our mission
- I strive to be well informed about events and trends in healthcare, data and analytics, and improvement
- I actively contribute to the company’s pursuit of excellence—in the technology we build, in the services we provide, and in the functions that support this important work
- I recognize and ask for help when I need it
Multiple Strategic Levers to Drive Durable, Long-Term Growth

Expand within our current client base
- Upsell TEMS offering to existing clients (~10% TEMS clients out of our ~110 DOS clients and 525+ other existing clients)
- Built-in, annual technology escalators
- Sell additional apps & services
- High dollar-based retention rate: 100%-112%(3)

Grow our overall client base
- 109 DOS subscription clients(2) amidst ~1,200 potential clients → ~9% penetration
- Cross-sell DOS to hundreds of application-specific clients & cross-sell applications to DOS clients

Continue M&A and Partnerships
- Combine data assets and best-of-breed applications
- Selectively pursue transformative M&A to accelerate scale
- Best-in-class culture a differentiating factor in sourcing opportunities

Add new applications and services
- Developed a multitude of new software applications in last few years(3)
- Partnerships and open platform provide insights into new offerings
- Recent development of new TEMS offerings (Abstraction and Ambulatory Ops) plus existing technology to support potential new TEMS offerings areas
- Accelerates as relationships deepen and dataset grows

Grow addressable market through adjacencies
- Additional types of healthcare organizations
- International

Monetize Core

Expand Opportunity

(1) Overall range from 2017 - 2023 for DOS Subscription Clients, as further defined in our Form 10-K (e.g., excludes clients acquired in Medicity, Able Health, Healthfinch, Vitalware, Twistle, KPI Ninja, ARMUS and ERS acquisitions and other non-DOS Subscription Clients).
(2) As of 12/31/23
(3) Added to this figure recently via M&A
While health system operating margins continue to be challenged relative to longer-term historical levels, we are encouraged to see operating margins steadily improving in recent months; we anticipate this will be a tailwind related to our bookings metrics in 2024 and beyond.

Our meaningful investment and early rollout of the next-generation of our data platform software is enabling significant increases in scalability and modularity.

As we have seen our end market improve, we have begun to strategically allocate more of our growth resources toward new client and cross-selling efforts, with a focus on Technology, especially with the benefit of our next-generation data platform rollout.

Vitalware Chargemaster Management software solution was recently ranked ‘Best in KLAS’ for 2024, marking the fifth year that Vitalware has achieved this distinction.

Our 10th annual Healthcare Analytics Summit (HAS) conference will be held at the end of February. We anticipate we will host approximately 1,000 attendees, primarily composed of existing and prospective clients; HAS represents a meaningful investment in new client and existing client relationship development.

Note: We have not reconciled guidance for Adjusted EBITDA or Adjusted EBITDA Margin to net loss or net loss margin, respectively, the most directly comparable GAAP measures, and have not provided forward-looking guidance for net loss or net loss margin, because there are items that may impact net loss and net loss margin, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.
### Health Catalyst Updated Growth & Financial Targets

#### 2024 Targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$304M to $312M</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$24M to $26M (~125%+ YoY Growth)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net New DOS Subscription Client Additions</td>
<td>Mid-Teens</td>
</tr>
<tr>
<td>Dollar-Based Retention Rate</td>
<td>104% to 110%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Technology</th>
<th>Professional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit Adjusted EBITDA Margin</td>
<td>Low-to-Mid-Teens</td>
<td>~0%</td>
</tr>
</tbody>
</table>

#### 2025 Targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>10% to 15% Growth</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>10% - 12% Margin</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Technology</th>
<th>Professional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit Adjusted EBITDA Margin</td>
<td>~20%</td>
<td>Slightly Positive</td>
</tr>
</tbody>
</table>

#### 2028 Targets

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$500M+ Revenue</td>
</tr>
<tr>
<td>Technology &gt;55% of Revenue</td>
<td>Technology Revenue Growth of 10%+</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>$100M+</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Technology</th>
<th>Professional Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit Adjusted EBITDA Margin(1)</td>
<td>~30%</td>
<td>~10%</td>
</tr>
</tbody>
</table>

Technology BU with ‘Rule of 40’ Profile

---

(1) High-level estimated business unit adjusted EBITDA margin analysis. Estimated business unit contribution profit for Technology and Professional Services based on allocating adjusted gross margin and operating expenses by business unit. Adjusted gross margin segmented by Technology and Professional Services. Operating expenses allocated between Technology and Professional Services based on type of operating expense: Research & Development ("R&D") expenses allocated to Technology business unit; Sales & Marketing expenses allocated between Technology and Pro Services by percentage of adjusted gross profit; General & Administrative expenses allocated between Technology and Pro Services by percentage of total cost of revenue (excluding depreciation & amortization) and R&D.

Note (a): These targets contemplate that Health Catalyst will continue to be opportunistic with tuck-in acquisitions, with a primary focus on technology. These tuck-in acquisitions would benefit annual revenue growth on a pro forma basis.

Note (b): We have not reconciled guidance for Adjusted EBITDA or Adjusted EBITDA Margin to net loss or net loss margin, respectively, the most directly comparable GAAP measures, and have not provided forward-looking guidance for net loss or net loss margin, because there are items that may impact net loss and net loss margin, including stock-based compensation, that are not within our control or cannot be reasonably forecasted.
Highly Attractive Operational and Financial Model

**Poised for Growth Reacceleration and Profitability**

<table>
<thead>
<tr>
<th>Recurring revenue streams across technology, analytics and services</th>
<th>&gt;90% (1) Recurring Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2025 and 2028 Revenue targets</td>
<td>10% - 15% 2025 Revenue Growth Rate $500m+ 2028 Revenue Target</td>
</tr>
<tr>
<td>Strong client retention and stickiness</td>
<td>100%-112% (2) Dollar-based Retention Rate 34 (3) → 109 (3) 2017 Clients 2023 Clients</td>
</tr>
<tr>
<td>Improving gross margin</td>
<td>41% (4) → 49% (4) 2017 Adj. Gross Margin 2023 Adj. Gross Margin</td>
</tr>
<tr>
<td>Continued Adj. EBITDA progress</td>
<td>(1%) (5) → 4% (5) → 10%-12% (5) $100M+ (5) 2022 Adj. EBITDA % of Revenue 2023 Adj. EBITDA % of Revenue 2025 Target Adj. EBITDA % of Revenue 2028 Target Adj. EBITDA</td>
</tr>
</tbody>
</table>

---

(1) In 2023
(2) Overall range from 2017 - 2023 for DOS Subscription Clients, as further defined in our Form 10-K (e.g., excludes clients acquired in Medicity, Able Health, Healthnrich, Vitalsave, Twistle, KPI Ninja, ARNAV, and other non-DOS Subscription Clients).
(3) DOS Subscription Clients only.
(4) Adjusted Gross Margin is a non-GAAP financial measure we define as our Adjusted Gross Profit divided by our revenue – see Appendix and our most recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more information. See Appendix for reconciliation to GAAP.
(5) Excluding D&A, stock-based compensation, lender offer payments deemed compensation, loss on extinguishment of debt, acquisition-related costs, net, non-recurring lease-related charges, income tax provision (benefit), interest expense and other (net) and restructuring charges. Please see the Appendix and our most recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.
High Engagement, Satisfaction & Expansion
Produces a High-Growth, Predictable, Recurring Revenue Business

Total Revenue ($mm)

<table>
<thead>
<tr>
<th>Year</th>
<th>Professional services</th>
<th>Technology</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$73</td>
<td>49%</td>
<td>$122</td>
</tr>
<tr>
<td>2018</td>
<td>$113</td>
<td>54%</td>
<td>$167</td>
</tr>
<tr>
<td>2019</td>
<td>$155</td>
<td>58%</td>
<td>$213</td>
</tr>
<tr>
<td>2020</td>
<td>$189</td>
<td>61%</td>
<td>$250</td>
</tr>
<tr>
<td>2021</td>
<td>$242</td>
<td>64%</td>
<td>$286</td>
</tr>
<tr>
<td>2022</td>
<td>$276</td>
<td>63%</td>
<td>$339</td>
</tr>
<tr>
<td>2023</td>
<td>$296</td>
<td>57%</td>
<td>$353</td>
</tr>
</tbody>
</table>

Dollar-based Retention Rate(2)

<table>
<thead>
<tr>
<th>Year</th>
<th>Professional services</th>
<th>Technology</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>108%</td>
<td>12%</td>
<td>106%</td>
</tr>
<tr>
<td>2018</td>
<td>107%</td>
<td>12%</td>
<td>103%</td>
</tr>
<tr>
<td>2019</td>
<td>109%</td>
<td>12%</td>
<td>107%</td>
</tr>
<tr>
<td>2020</td>
<td>102%</td>
<td>13%</td>
<td>115%</td>
</tr>
<tr>
<td>2021</td>
<td>112%</td>
<td>13%</td>
<td>125%</td>
</tr>
<tr>
<td>2022</td>
<td>100%</td>
<td>12%</td>
<td>112%</td>
</tr>
<tr>
<td>2023</td>
<td>100%</td>
<td>12%</td>
<td>112%</td>
</tr>
</tbody>
</table>

Total Clients

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>46</td>
</tr>
<tr>
<td>2018</td>
<td>76</td>
</tr>
<tr>
<td>2019</td>
<td>126</td>
</tr>
<tr>
<td>2020</td>
<td>130</td>
</tr>
<tr>
<td>2021</td>
<td>&gt;350</td>
</tr>
<tr>
<td>2022</td>
<td>&gt;425</td>
</tr>
<tr>
<td>2023</td>
<td>&gt;520</td>
</tr>
</tbody>
</table>

(1) Excludes impact of Medicity acquisition, which occurred on June 29, 2018.
(2) We calculate our dollar-based retention rate as of a period end by starting with the sum of the Annual Recurring Revenue (ARR) from all DOS subscription clients as of the date 12 months prior to such period end (prior period ARR). We then calculate the sum of the ARR from these same clients as of the current period end (current period ARR).
(3) Vast majority of Other clients were acquired via 2018 Medicity acquisition and 2020, 2021, 2022 and 2023 acquisitions of Vitalware, Healthlincn, Able Health, Twistle, KPI Ninja, ARMUS and ERS.
## Mid-term and Long-term Target Model (Non-GAAP)

<table>
<thead>
<tr>
<th></th>
<th>2019 (IPO year)</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2025 Targets$^{(3)}</th>
<th>2028 Targets$^{(3)}</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue Growth</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>38%</td>
<td>22%</td>
<td>28%</td>
<td>14%</td>
<td>7%</td>
<td>10% - 15%</td>
<td>$500M+</td>
</tr>
<tr>
<td><strong>Adj. Gross Margin$^{(1)}</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>52%</td>
<td>50%</td>
<td>53%</td>
<td>53%</td>
<td>49%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating Expenses$^{(2)}</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>S&amp;M as % of Revenue</td>
<td>28%</td>
<td>22%</td>
<td>21%</td>
<td>20%</td>
<td>15%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R&amp;D as % of Revenue</td>
<td>27%</td>
<td>24%</td>
<td>21%</td>
<td>20%</td>
<td>19%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>G&amp;A as % of Revenue</td>
<td>15%</td>
<td>15%</td>
<td>15%</td>
<td>14%</td>
<td>11%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adj. EBITDA Margin$^{(2)}</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(18%)</td>
<td>(11%)</td>
<td>(5%)</td>
<td>(1%)</td>
<td>4%</td>
<td>10% - 12%</td>
<td>$100M+</td>
</tr>
</tbody>
</table>

**2025 mid-term targets of 10% - 12% Adj. EBITDA margin and meaningful positive adjusted free cash flow**

---

$^{(1)}$ Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization, stock-based compensation, tender offer payments deemed compensation, acquisition-related costs, net, and rest. We define Adjusted Gross Margin as our Adjusted Gross Profit divided by our revenue. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.

$^{(2)}$ Excluding D&A, stock-based compensation, tender offer payments deemed compensation, loss on extinguishment of debt, acquisition-related costs, net, non-recurring lease-related charges, income tax provision (benefit), interest expense and other (net), restructuring charges and litigation costs. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.

$^{(3)}$ These targets contemplate that Health Catalyst will continue to be opportunistic with tuck-in acquisitions, with a primary focus on technology. These tuck-in acquisitions would benefit annual revenue growth on a pro forma basis.
# Healthcare Success: Proven Methodology

## Revenue
- Payment
  - Collection Rate
  - Cash Acceleration
  - Payer Contracts
- Volume
  - Capacity
  - Access
  - Referral Leakage
- Expansion
  - Service Lines
  - M&A
  - Trials Revenue
  - Care Expansion

## Cost
- Labor
  - Labor Costs
  - Staffing Contracts
  - Provider Contracts
  - Digital Retail
  - Outsourcing
- Supply Chain
  - Pharmacy Supply Costs
  - Surgical Supply Costs
  - General Supply Costs
  - Blood Utilization
- Other
  - Vendor Costs
  - Clinical Support Services Costs
  - Ambulatory Operations Efficiency
  - Analytics Efficiency
  - Building & Equipment Costs

## Quality
- Clinical Operations
  - Readmissions
  - Outcomes Excellence
  - Research & Operations
- Patient Safety
  - Events & Infections
  - Liability
  - Safety Excellence
- Population Health
  - Care Management
  - Quality Measures Performance
  - Voluntary Reporting
  - Financial & Operations

---

### 1. Integrate All Revenue, Cost, and Quality Data

### 2. Identify Variation and Generate Actionable Analytics Insights

### 3. Apply Expertise to Drive Sustainable Improvements

### 4. Quantify and Communicate Value

---

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Comprehensive Solution for Data-informed Improvement

1. **Data Platform** (~$2bn TAM)
   - **Integrate data** in a flexible, open, and scalable platform to power healthcare’s digital transformation

2. **Applications** (~$3bn TAM)
   - **Deliver insights** on how to measurably improve through the use of applications

3. **Services Expertise** (~$3bn TAM)
   - **Enable and accelerate data-informed improvement** with the assistance of analytical, clinical, financial, and operational experts

---

(1) Health Catalyst has multiple new offerings in Tech-enabled Managed Services (TEMS), an offering area in which we have seen materially more sales and pipeline traction over the last several quarters. As a result, we are assessing the TAM (Total Addressable Market) for these offerings. Our current expectation is that the company’s total TAM is materially higher than previously estimated as a result of these TEMS offerings. More details will be provided over time.
Our Tech-enabled Managed Services arrangements include long-term contracts (~5 years) for both Tech and Pro Services, which create loyal client relationships. These deals are typically large & require limited incremental Opex, which drives Adj. EBITDA margin in line with our long-term targets over time.

**Typical Contract Structure**

- TEMS relationships are structured as **long-term contracts** with **technology subscription renewal or expansion** (at typical technology gross margin levels)

- Health Catalyst typically **re-badges existing health system team members** within the applicable functional area

- **Health Catalyst provides a cost savings to the client’s existing spend**, typically starting nine months after contract signing

- The **TEMS Pro Services gross margin starts out low in Year 1 and aims to grow to ~25%** over a few year period by leveraging our technology, finding scale efficiencies, and improving processes to reduce the labor footprint

- Year 5 margin profile roughly represents the steady state margin profile

**Illustrative TEMS Pro Services Gross Margin Over Time**

- Contracts typically start at a low gross margin in year 1, typically between 0% - 10%

- As these contracts ramp over a few year period and efficiencies are realized, gross margins increase to ~25%. Additionally, we generally anticipate little incremental Opex associated with these contracts, which should drive Adj. EBITDA margin in line with our long-term targets over time.
High Engagement, Satisfaction & Expansion

Leads to Technology Gross Margin Expansion

**Adjusted Gross Margin**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Adjusted Gross Margin</th>
<th>Adjusted Technology Gross Margin</th>
<th>Adjusted Professional Services Gross Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>24%</td>
<td>41%</td>
<td>15%</td>
</tr>
<tr>
<td>2018</td>
<td>29%</td>
<td>52%</td>
<td>24%</td>
</tr>
<tr>
<td>2019</td>
<td>35%</td>
<td>50%</td>
<td>27%</td>
</tr>
<tr>
<td>2020</td>
<td>25%</td>
<td>53%</td>
<td>24%</td>
</tr>
<tr>
<td>2021</td>
<td>27%</td>
<td>53%</td>
<td>15%</td>
</tr>
<tr>
<td>2022</td>
<td>24%</td>
<td>49%</td>
<td>15%</td>
</tr>
<tr>
<td>2023</td>
<td>15%</td>
<td>49%</td>
<td>15%</td>
</tr>
</tbody>
</table>

**Adjusted Gross Profit**

<table>
<thead>
<tr>
<th>Year</th>
<th>Adjusted Gross Profit (mm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$30</td>
</tr>
<tr>
<td>2018</td>
<td>$54</td>
</tr>
<tr>
<td>2019</td>
<td>$81</td>
</tr>
<tr>
<td>2020</td>
<td>$95</td>
</tr>
<tr>
<td>2021</td>
<td>$128</td>
</tr>
<tr>
<td>2022</td>
<td>$146</td>
</tr>
<tr>
<td>2023</td>
<td>$144</td>
</tr>
</tbody>
</table>

(1) Adjusted Gross Profit is a non-GAAP financial measure that we define as revenue less cost of revenue, excluding depreciation and amortization, stock-based compensation, tender offer payments deemed compensation, acquisition-related costs, net, and restructuring charges. Please see the Appendix and our recent Annual Report on Form 10-K and our Quarterly Report on Form 10-Q for more details.

(2) Adjusted Gross Margin is a non-GAAP financial measure that we define as our Adjusted Gross Profit divided by our revenue. Please see the Appendix and our most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q for more information.
Allina Health: High-Value Data & Analytics Drive $33M+ in Quality & Operations Improvements

The Challenge: As the Breadth, Complexity, and Volume of Healthcare Data Grow, Allina Health Recognized the Need to Manage Data as a Strategic Asset by Ensuring Ongoing Data Utilization and Building Capacity for Continuous, Data-driven Improvement.

Data-Driven Insights and Measurable Results

Key Opportunities Identified

- Length of stay
- Readmissions
- Supply costs

Key Improvements

- $33M+ in positive margin impact by expense reduction and additional hospital inpatient and outpatient revenue.
- $2.3M decrease in annual blood product acquisition costs.
- Improved care for patients undergoing spine surgery
  - 31% of expected complications avoided
  - 22% relative reduction in surgical site infections
  - 8.8% relative reduction in length of stay
- 350K+ unique sessions in Allina Health’s top 10 analytics applications and accelerators in one year.

Unleashing the data at Allina Health has been key to increasing organizational efficiency, reducing costs, and improving outcomes for our patients.

—Jonathan Shoemaker, SVP, CIO, Allina Health
Carle Health & Health Alliance: Solution Uncovers $10M+ in Population Health Opportunities

The Challenge: For Carle Health and Health Alliance(1), burdensome manual data collection and reporting processes made it difficult—and time-consuming—to identify and address opportunities for value-based care improvement across its populations.

The Health Catalyst Solution

1. Data and Analytics Platform (DOS™)
   - DOS data and analytics platform enabled integration, organization, and enhancement of 13 Carle source systems, +10 Health Alliance source systems, +37 different physician claim formats from the Carle clinically integrated network (CIN). Key capabilities used:
     - Self-Service Analytics—Pop Insights, Pop Analyzer, Healthcare.AI—enable both technical and non-technical users to easily build populations; create reusable data elements; and explore, analyze, and report on data.

2. Applications
   - Value Optimizer surfaces insights—mined from claims data and enhanced by terminology, groupers, logic, and additional data from DOS—to instantly identify the most promising and impactful opportunities for value-based care (VBC) performance improvement.

3. Expert Services
   - Health Catalyst population health domain expert partnered with Carle Health and Health Alliance teams to surface compelling, actionable insights for the best opportunities for success in value-based care—providing practical guidance for transformation to reduce cost and utilization, increase quality scores, improve patient outcomes, and accelerate time to value.

Data-Driven Insights and Measurable Results

Key Opportunities Identified
- Cost, utilization, and performance metrics across 10 key population health areas, including:
  - Emergency department utilization
  - Inpatient utilization
  - Ambulatory utilization
  - Post-acute care

Key Improvements
- $10M+ in cost and utilization opportunity identified
- $100K manual labor costs avoided by eliminating multiple iterations and meetings to obtain the necessary data and analyses
- >90% improvement in analytic efficiency; analyses that previously required months to complete are now complete in minutes

Value Optimizer allows us to uncover opportunities quickly and easily without building a data set to see the likely impact. We can quickly drill down into the data and recommend potential interventions.

—Rich Balbach, Director
Clinical and Business Intelligence
Health Alliance

(1) Health Alliance Medical Plans is a leading provider-driven health plan.
MultiCare Health System: Operational and Charge Capture Improvements Help Realize $75M+ in Annual Revenue

The Challenge: Inconsistent Improvement Methods, Differing Competencies, and Inefficient Data Collection and Analytics were Impeding MultiCare Health System’s Ability to Improve— Leaving Financial and Operational Metrics Below Expectations.

The Health Catalyst Solution

Expert Services

Health Catalyst experts partnered with MultiCare teams to help increase organizational alignment, boost data utilization and analytic acumen for more proactive revenue management, and realize new efficiencies by optimizing technology and processes.

Applications

20+ applications and accelerators surface high-value data and analytics to augment insights, stratify risk, prioritize opportunities, and monitor and report outcomes. Key examples:

- **Key Process Analysis (KPA)**: Identify highest value opportunities
- **VitalIntegrity**: Improve charge capture and revenue performance
- **Departmental Explorer**: Review and improve operational efficiency

Data and Analytics Platform (DOS™)

DOS data and analytics platform enabled MultiCare Health System to integrate, organize, and enhance 35 different data sources—clinical, financial, and operational. Key capabilities used:

- **Reusable Data Logic**
- **Expert Data Collections**
- **Self-Service Analytics—Pop Insights, Pop Analyzer, Healthcare.AI, IDEA (data entry)**—enable both technical and non-technical users to easily build populations; create reusable data elements; and explore, analyze, and report on data.

Data-Driven Insights and Measurable Results

Key Opportunities Identified

- Charge capture
- Contribution margins
- Length of stay

Key Improvements

- **$6.1M net revenue retained**, the result of resolving more than 350 charge capture issues.
- **$48M in revenue**, surpassing three-year market share goals in year two.
  - Overall market share improved in every submarket.
- **$24M in savings**, the result of a 0.6-day reduction in LOS across the health system.

VitalIntegrity enabled us to efficiently identify and resolve charge capture issues, retaining $6.1M in net revenue in just three months, while supporting root cause analyses for ongoing process improvement.”

— Nicole Gorder, MBA, Executive Director of Revenue Integrity & CDM
MultiCare Health System
INTEGRIS: Healthcare.AI Helps Drive Executive Alignment and Decision-making

The Challenge: INTEGRIS Health had High Volumes of Data but Lacked the Timely, Accurate, and Actionable Insight Needed to Support Key Leadership Decisions and Drive Meaningful Improvements.

The Health Catalyst Solution

1. Data and Analytics Platform (DOS™)
   - DOS data and analytics platform enabled integration, organization, and enhancement of 10 different data source systems. Key capabilities used:
     - Source Connectors
     - Cloud-based
     - Reusable Data Logic
     - Expert Data Collections
     - Self-Service Analytics—Pop Insights, Pop Analyzer, Healthcare.AI

2. Applications
   - Touchstone® enabled INTEGRIS to analyze risk-adjusted benchmarks and integrated machine-learning algorithms to enhance understanding of performance compared to peer organizations—and proactively prioritize improvement opportunities.
   - Healthcare.AI capabilities, integrated within Touchstone and other BI tools, deliver easy-to-use statistical and AI capabilities to help analysts produce more accurate, faster insights.

3. Expert Services
   - Health Catalyst’s analytics engineers, data scientists, and domain experts partnered with INTEGRIS teams to optimally leverage integrated data, analytics, and machine-learning-driven algorithms to identify and realize meaningful opportunities for improvement.

Data-Driven Insights and Measurable Results

Key Opportunities Identified
- Value-based care measures performance
- Patient safety targeted mortality and readmissions (e.g., sepsis)

Key Improvements
- Aligned executive incentives based on shared understanding of highest value and most actionable improvement opportunities
- $500K saved annually by sunsetting a third-party benchmarking tool
- 50x faster data refresh than previous benchmarking tool—and benchmarks are now more adaptive as well as more detailed

Financial Improvements

Clinical Improvements

Using DOS and Touchstone has been transformational for our organization. The data and analytics are exactly what our CEO, CMO, and CNE need to set our organization’s course. We’ve effectively separated the signals from noise in the data and are able to clearly see where the organization needs to go.

—Benjamin Mansalis, MD
Chief Information Officer, INTEGRIS Health

We are using generative AI to exponentially increase the efficiency and overall business success of specific human capital-intensive tasks. Generative AI has been especially powerful when workflows are driven by narrative/written language, which is common in our chart abstraction use cases today, and we expect to be equally powerful as we expand our TEMS offerings into other workflow-heavy areas.

—Dave Ross
Chief Technology Officer, Health Catalyst
Historical M&A Transactions

M&A Strategy

- Ability to integrate and scale software applications on top of DOS platform
- Broadens value proposition to existing and new clients
- Primary focus on applications layer
  - Hundreds of opportunities
  - Gross margin accretive
  - Faster time to market (buy vs. build)
- Additional focus areas in adjacent markets
  - Life Sciences
  - International
- Wide range of targets → tuck-ins to larger transactions
- COVID-19 accelerated certain M&A opportunities
- HCAT is destination of choice for many targets given cultural differentiation

Note: Transaction close date shown
(1) Transaction value includes only the upfront purchase price amount anticipated at the time of the execution of the respective acquisition agreements
How We Engage With Our Clients

**Option 1**

**Enterprise**
- Includes subscription access to **DOS** and most/all Applications
- Based on client size and data footprint; includes annual price escalators

**Limited-Access / Modular**
- Includes subscription access to **DOS only or DOS plus selected Analytics Applications**
- Includes opportunity to upsell additional applications

**Overview**

**Technology Access Subscription**
- Recurring access to a specific number of FTEs that is listed in the contract

**Professional Services Subscription**
- Typically re-badge existing health system team members within the applicable functional area

**Tech-enabled Managed Services**

Historically the majority of our DOS Subscription Clients have chosen an enterprise contract model.

Enterprise subscription provides clients budget predictability and use-case flexibility and aligns with clients’ increases in improvements, data sources, users, and applications.

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A Single Clinical, Financial, or Operational Question Often Requires Integrated Data from Multiple Source Systems

<table>
<thead>
<tr>
<th>Questions answered</th>
<th>Data sources needed</th>
<th>Use cases</th>
<th>Data platform</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Clinical</td>
<td>EHR, Claim, Clinical Specialty, etc.</td>
<td>Health Catalyst Applications</td>
<td>DOS: ingests, integrates and organizes data sources</td>
</tr>
<tr>
<td>✓ Financial</td>
<td>EHR, Financial ERP, Claims</td>
<td>Health Catalyst Professional Services Organization</td>
<td></td>
</tr>
<tr>
<td>✓ Operational</td>
<td>EHR, Clinical Specialty, Patient Satisfaction, etc.</td>
<td>Client Developed Applications &amp; Algorithms</td>
<td></td>
</tr>
</tbody>
</table>

- Clinical: How do I improve my system’s sepsis care?
- Financial: How do I reduce my hip and knee cost per case?
- Operational: How are new treatment protocols impacting length of stay and satisfaction?

Data sources:
- EHR (e.g., Cerner, Epic, Meditech)
- Financial (e.g., Lawson, EPSI)
- Billing (e.g., McKesson)
- HR/ERP (e.g., Peoplesoft, AP1)
- Claims (e.g., QXNT, CMS)
- Clinical Specialty (e.g., Lab, Rad. Rx, Clin Op Systems)
- Patient Satisfaction (e.g., Press Ganey)
- Other (e.g., benchmarking, homegrown)
A typical problem facing a healthcare organization most often requires data from multiple source systems: **Sepsis example**

<table>
<thead>
<tr>
<th>Question?</th>
<th>Required Data Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many cases of sepsis did we have last year?</td>
<td><strong>EMR</strong> (Epic, Cerner, Meditech)</td>
</tr>
<tr>
<td>Is our sepsis mortality rate above industry benchmarks?</td>
<td><strong>Benchmarking</strong> (Truven, UHC, Touchstone)</td>
</tr>
<tr>
<td>How much did those sepsis cases cost?</td>
<td><strong>Financial</strong> (Lawson, EPSI)</td>
</tr>
<tr>
<td>What were the readmission rates of my sepsis population?</td>
<td><strong>Claims</strong> (QXNT, CMS, etc.)</td>
</tr>
<tr>
<td>What lab or pharmacy tests were ordered for these sepsis patients?</td>
<td><strong>Lab (Quest, LabCorp)</strong> Pharmacy (McKesson, Cardinal)</td>
</tr>
</tbody>
</table>
Customer’s Path to Greater Digital Maturity with Health Catalyst

The Healthcare Analytics Adoption Model

<table>
<thead>
<tr>
<th>Level 0</th>
<th>Fragmented Point Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Enterprise Data Operating System</td>
</tr>
<tr>
<td>Level 2</td>
<td>Standardized Vocabulary &amp; Patient Registries</td>
</tr>
<tr>
<td>Level 3</td>
<td>Automated Internal Reporting</td>
</tr>
<tr>
<td>Level 4</td>
<td>Automated External Reporting</td>
</tr>
<tr>
<td>Level 5</td>
<td>Waste &amp; Care Variability Reduction</td>
</tr>
<tr>
<td>Level 6</td>
<td>Population Health Management &amp; Suggestive Analytics</td>
</tr>
<tr>
<td>Level 7</td>
<td>Clinical Risk Intervention &amp; Predictive Analytics</td>
</tr>
<tr>
<td>Level 8</td>
<td>Personalized Medicine &amp; Prescriptive Analytics</td>
</tr>
<tr>
<td>Level 9</td>
<td>Direct-to-Patient Analytics &amp; Artificial Intelligence</td>
</tr>
</tbody>
</table>

Pre-Health Catalyst | Early implementation | Maturity

(1) Healthcare Analytics Adoption Model created by Health Catalyst’s former CTO Dale Sanders; HIMSS was granted a creative commons copyright, which they call HIMSS Analytics Adoption Model for Analytics Maturity (AMAM) https://www.himssanalytics.org/amam
### GAAP to Non-GAAP Reconciliation: Gross Profit and Gross Margin

#### Year Ended 31-Dec-2017

<table>
<thead>
<tr>
<th></th>
<th>Technology</th>
<th>Professional Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$110,467</td>
<td>$144,060</td>
<td>$254,527</td>
</tr>
<tr>
<td>Cost of Revenue, Excluding Depreciation and Amortization</td>
<td>($53,604)</td>
<td>($62,473)</td>
<td>($116,077)</td>
</tr>
<tr>
<td>Gross Profit, Excluding Depreciation and Amortization</td>
<td>$56,863</td>
<td>$61,587</td>
<td>$118,450</td>
</tr>
</tbody>
</table>

Add:  
- Stock-Based Compensation | 803 | 3,453 | 4,256 |
- Adjusted Gross Profit | $75,666 | $65,136 | $140,797 |

#### Year Ended 31-Dec-2018

<table>
<thead>
<tr>
<th></th>
<th>Technology</th>
<th>Professional Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$127,870</td>
<td>$127,382</td>
<td>$255,252</td>
</tr>
<tr>
<td>Cost of Revenue, Excluding Depreciation and Amortization</td>
<td>($51,360)</td>
<td>($53,451)</td>
<td>($104,811)</td>
</tr>
<tr>
<td>Gross Profit, Excluding Depreciation and Amortization</td>
<td>$76,510</td>
<td>$73,931</td>
<td>$150,441</td>
</tr>
</tbody>
</table>

Add:  
- Stock-Based Compensation | 2,063 | 8,047 | 10,110 |
- Acquisitiion-related costs, net** | 61 | 127 | 188 |
- Adjusted Gross Profit | $80,596 | $82,606 | $163,202 |

#### Year Ended 31-Dec-2019

<table>
<thead>
<tr>
<th></th>
<th>Technology</th>
<th>Professional Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$131,833</td>
<td>$133,365</td>
<td>$265,208</td>
</tr>
<tr>
<td>Cost of Revenue, Excluding Depreciation and Amortization</td>
<td>($50,224)</td>
<td>($53,561)</td>
<td>($103,785)</td>
</tr>
<tr>
<td>Gross Profit, Excluding Depreciation and Amortization</td>
<td>$81,609</td>
<td>$79,804</td>
<td>$161,413</td>
</tr>
</tbody>
</table>

Add:  
- Stock-Based Compensation | 2,058 | 8,230 | 10,288 |
- Acquisition-related costs, net** | 351 | 655 | 1,006 |
- Restructuring Charges*** | 279 | 1,139 | 1,418 |
- Adjusted Gross Profit | $85,506 | $87,749 | $173,255 |

(1) Tender offer payments deemed compensation relate to employee compensation from repurchases of common stock at a price in excess of its estimated fair value.
(2) Acquisition-related costs, net included in the Adjusted Gross Profit reconciliation relate to post acquisition restructuring costs and deferred retention expenses incurred as part of business combinations.
(3) Restructuring charges include severance and other team member costs from workforce reductions.
## GAAP to Non-GAAP Reconciliation: Adjusted EBITDA

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net loss</td>
<td>($118,147)</td>
</tr>
<tr>
<td>Add:</td>
<td></td>
</tr>
<tr>
<td>Interest and other expense, net</td>
<td>($9,106)</td>
</tr>
<tr>
<td>Loss on extinguishment of debt</td>
<td>$0</td>
</tr>
<tr>
<td>Income tax provision (benefit)</td>
<td>$356</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$42,223</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>$55,756</td>
</tr>
<tr>
<td>Tender offer payments deemed compensation&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>$0</td>
</tr>
<tr>
<td>Acquisition-related costs, net&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>$5,757</td>
</tr>
<tr>
<td>Restructuring costs&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>$8,822</td>
</tr>
<tr>
<td>Non-recurring lease-related charges&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>$4,081</td>
</tr>
<tr>
<td>Litigation costs&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>$21,279</td>
</tr>
</tbody>
</table>

<sup>(1)</sup> Tender offer payments deemed compensation relate to employee compensation from repurchases of common stock at a price in excess of its estimated fair value.

<sup>(2)</sup> Acquisition-related costs, net impacting Adjusted EBITDA includes third party fees associated with due diligence, deferred retention expenses, and post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earnout payments.

<sup>(3)</sup> Restructuring costs include severance and other team member costs from workforce reductions, impairment of discontinued capitalized software projects, and other minor miscellaneous charges.

<sup>(4)</sup> Includes the lease-related impairment charges for the subleased portion of our corporate headquarters and duplicate rent expense incurred during the relocation of our corporate headquarters.

<sup>(5)</sup> Reflects costs related to litigation that are outside the ordinary course of our business. We believe it is useful to exclude such charges because we do not consider such amounts to be part of the ongoing operations of our business and because of the singular nature of the claims underlying the matter.
## GAAP to Non-GAAP Reconciliation: Adjusted Operating Expenses

<table>
<thead>
<tr>
<th>(in thousands)</th>
<th>Year Ended December 31,</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expenses</td>
<td>$258,730</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>($42,223)</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>($46,521)</td>
</tr>
<tr>
<td>Tender offer payments deemed compensation (1)</td>
<td>$0</td>
</tr>
<tr>
<td>Acquisition-related costs, net (2)</td>
<td>($5,093)</td>
</tr>
<tr>
<td>Restructuring costs (3)</td>
<td>($6,494)</td>
</tr>
<tr>
<td>Non-recurring lease-related charges (4)</td>
<td>($4,081)</td>
</tr>
<tr>
<td>Litigation costs (5)</td>
<td>($21,279)</td>
</tr>
<tr>
<td><strong>Adjusted Operating Expenses</strong></td>
<td><strong>$133,039</strong></td>
</tr>
</tbody>
</table>

### Adjusted Operating Expenses as % of Revenue

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Operating Expenses as % of Revenue</td>
<td>45%</td>
<td>54%</td>
<td>58%</td>
<td>62%</td>
<td>70%</td>
<td>82%</td>
<td>90%</td>
</tr>
</tbody>
</table>

---

(1) Tender offer payments deemed compensation relate to employee compensation from repurchases of common stock at a price in excess of its estimated fair value.

(2) Acquisition-related costs, net impacting Adjusted EBITDA includes third party fees associated with due diligence, deferred retention expenses, and post-acquisition restructuring costs incurred as part of business combinations, and changes in fair value of contingent consideration liabilities for potential earnout payments.

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