Streamline Health Solutions, Inc.
Reconciliation of net earnings (loss) to non-GAAP adjusted EBITDA
Fiscal Year Ended January 31, 2014

Adjusted EBITDA is a non-GAAP financial measure under the rules of the U.S. Securities and Exchange Commission. This non-GAAP information supplements and is not intended to represent a measure of performance in accordance with disclosures required by U.S. generally accepted accounting principles. Non-GAAP financial measures are used internally to manage the business, such as in establishing an annual operating budget. Non-GAAP financial measures are used by Streamline Health's management in its operating and financial decision-making because management believes these measures reflect ongoing business in a manner that allows meaningful period-to-period comparisons. Accordingly, the Company believes it is useful for investors and others to review both GAAP and non-GAAP measures in order to (a) understand and evaluate current operating performance and future prospects in the same manner as management does and (b) compare in a consistent manner the Company's current financial results with past financial results. The primary limitations associated with the use of non-GAAP financial measures are that these measures may not be directly comparable to the amounts reported by other companies and they do not include all items of income and expense that affect operations. The Company's management compensates for these limitations by considering the Company's financial results and outlook as determined in accordance with GAAP and by providing a detailed reconciliation of the non-GAAP financial measures to the most directly comparable GAAP measures in the tables attached to this press release. 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, professional and advisory fees, and internal direct costs incurred to complete transactions.

Reconciliation of net earnings (loss) to non-GAAP adjusted EBITDA (in thousands)

Adjusted EBITDA Reconciliation	**Three Months Ended,**		**Twelve Months Ended,**	
	January 31, 2014	**January 31, 2013**	**January 31, 2014**	**January 31, 2013**
Net loss	$ (1,947)	$ (7,807)	$ (11,717)	$ (5,379)
Interest expense	31	568	1,766	1,957
Income tax expense (benefit)	(259)	632	(100)	(2,888)
Depreciation	228	179	718	726
Amortization of capitalized software development costs	1,105	728	3,192	2,659
Amortization of intangible assets	398	314	1,342	584
Amortization of other costs	24	35	74	35
EBITDA	(419)	(5,351)	(4,725)	(2,306)
Share-based compensation expense	457	312	1,661	956
Loss on conversion of convertible notes	-	5,913	-	5,970
Loss on early extinguishment of debt	161	-	161	-
Transaction related professional fees, advisory fees and other internal direct costs	405	-	769	796
Associate severances and other costs relating to transactions or corporate restructuring	33	588	415	866
Other non-recurring operating expenses	(2,787)	191	3,489	278
Adjusted EBITDA	$ (2,150)	$ 1,653	1,770	$ 6,560
Adjusted EBITDA per diluted share				
Loss per share - diluted	$ (0.14)	$ (0.63)	$ (0.94)	$ (0.48)
Adjusted EBITDA per adjusted diluted share (1)	$ (0.11)	$ 0.09	$ 0.10	$ 0.46
Diluted weighted average shares	16,336,668	12,492,611	13,747,700	11,634,540
Includable incremental shares — adjusted EBITDA (2)	4,059,747	5,090,421	4,863,140	494,109
Adjusted diluted shares	20,396,415	17,583,032	18,610,840	12,128,649

(1) Adjusted EBITDA per adjusted diluted share for the Company's common stock is computed using the more dilutive of the two-class method or the if-converted method.

(2) The number of incremental shares that would be dilutive under profit assumption, only applicable under a GAAP net loss. If GAAP profit is earned in the current period, no additional incremental shares are assumed.