



NASDAQ Global Market: MTBC, MTBCP

February 2020

# Safe Harbor Statements



This presentation contains forward-looking statements within the meaning of the federal securities laws. These statements relate to anticipated future events, future results of operations or future financial performance. In some cases, you can identify forward-looking statements by terminology such as “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “goals”, “intend”, “likely”, “may”, “plan”, “potential”, “predict”, “project”, “will” or the negative of these terms or other similar terms and phrases.

Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Forward-looking statements in this presentation include, without limitation, statements reflecting management’s expectations for future financial performance and operating expenditures, expected growth, profitability and business outlook, increased sales and marketing expenses, and the expected results from the integration of our acquisitions.

Forward-looking statements are only current predictions and are subject to known and unknown risks, uncertainties, and other factors that may cause our actual results, levels of activity, performance, or achievements to be materially different from those anticipated by such statements. These factors include our ability to:

- Manage our growth, including acquiring, partnering with, and effectively integrating CareCloud and other acquired businesses into our infrastructure;
- Retain our clients and revenue levels, including effectively migrating new clients and maintaining or growing the revenue levels of our new and existing clients;
- Maintain operations in Pakistan and Sri Lanka in a manner that continues to enable us to offer competitively priced products and services;
- Keep pace with a rapidly changing healthcare industry;
- Consistently achieve and maintain compliance with a myriad of federal, state, foreign, local, payor and industry requirements, regulations, rules, laws and contracts;
- Maintain and protect the privacy of confidential and protected Company, client and patient information;
- Protect and enforce intellectual property rights;
- Attract and retain key officers and employees, and the continued involvement of Mahmud Haq as executive chairman, all of which are critical to our ongoing operations, growing our business and integrating of our newly acquired businesses;
- Comply with covenants contained in our credit agreement with our senior secured lender, Silicon Valley Bank and other future debt facilities;
- Pay our monthly preferred dividends to the holders of our Series A Preferred Stock;
- Compete with other companies developing products and selling services competitive with ours, and who may have greater resources and name recognition than we have; and;
- Keep and increase market acceptance of our products and services.

Although we believe that the expectations reflected in the forward-looking statements contained in this presentation are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements.

In our earnings releases, prepared remarks, conference calls, slide presentations, and webcasts, we may use or discuss non-GAAP financial measures, as defined by SEC Regulation G. The GAAP financial measure most directly comparable to each non-GAAP financial measure used or discussed, and a reconciliation of the differences between each non-GAAP financial measure and the comparable GAAP financial measure, are included in the Appendix to this presentation. Our earnings press releases containing such non-GAAP reconciliations can be found in the Investor Relations section of our web site at [ir.mtbc.com](http://ir.mtbc.com).

The statements in this presentation are made as of the date of this presentation, and the Company does not assume any obligations to update the forward-looking statements provided to reflect events that occur or circumstances that exist after the date on which they were made.

# MTBC Overview



MTBC is a healthcare IT leader delivering the industry's most comprehensive suite of cloud-based solutions and business services.

**70+**  
Specialties

**10M+**  
Patient Lives

**15,000+**  
Providers

**\$7B+**  
A/R Under Management

**2,800+**  
Employees



**Gartner Digital Markets**  
Capterra GetApp Software Advice



**4.6** ★★★★★  
2.9K Ratings



**#1** Cloud-Based EHR  
**#1** Practice Management Software

Practice Management

Electronic Health Records

Revenue Cycle Management

Patient Experience Management

Telemedicine

Group Purchasing Organization

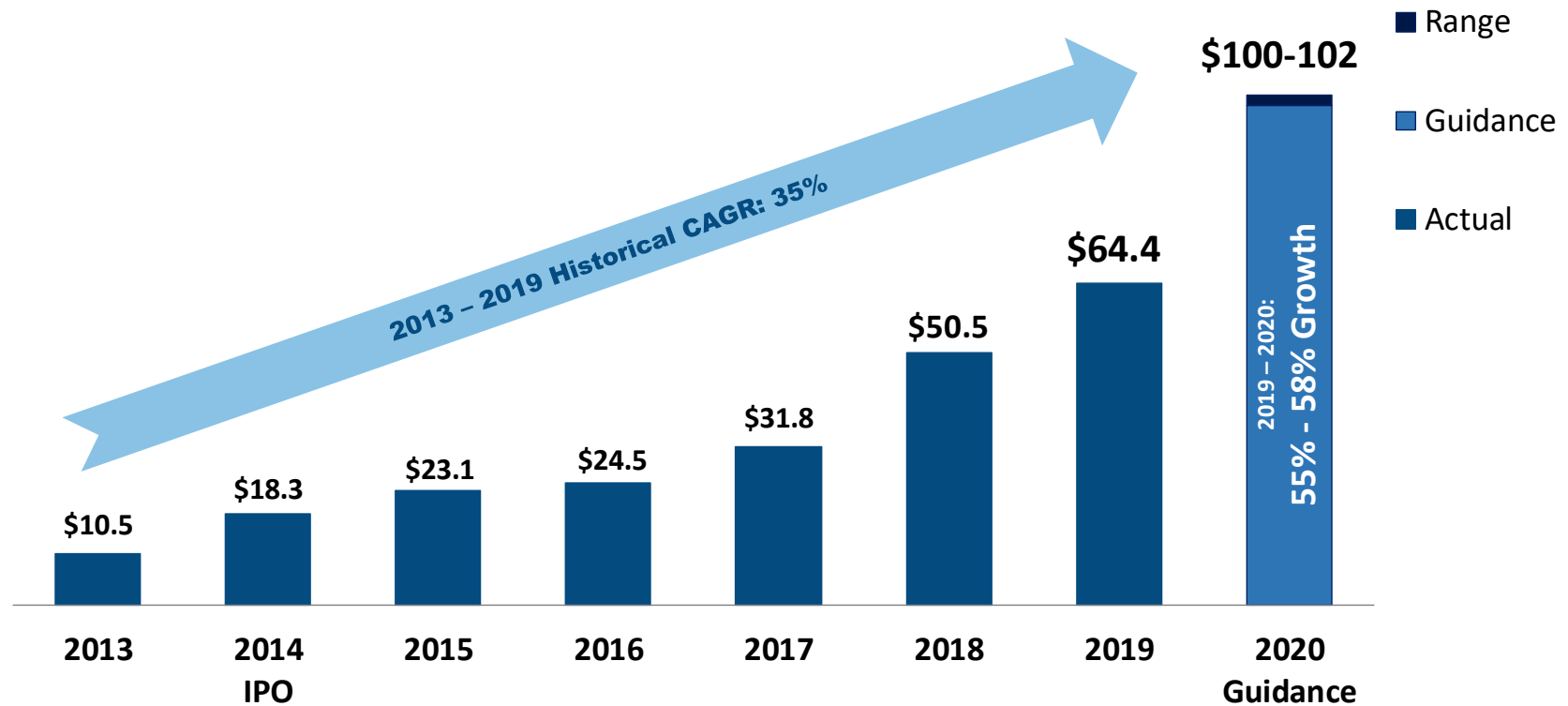
Business Intelligence

App Ecosystem

*\* Details reflect MTBC family of companies as of 2/28/2020, including CareCloud. For additional details, please see appendix.*

## Revenue Growth: 2013 – 2019 plus 2020 guidance

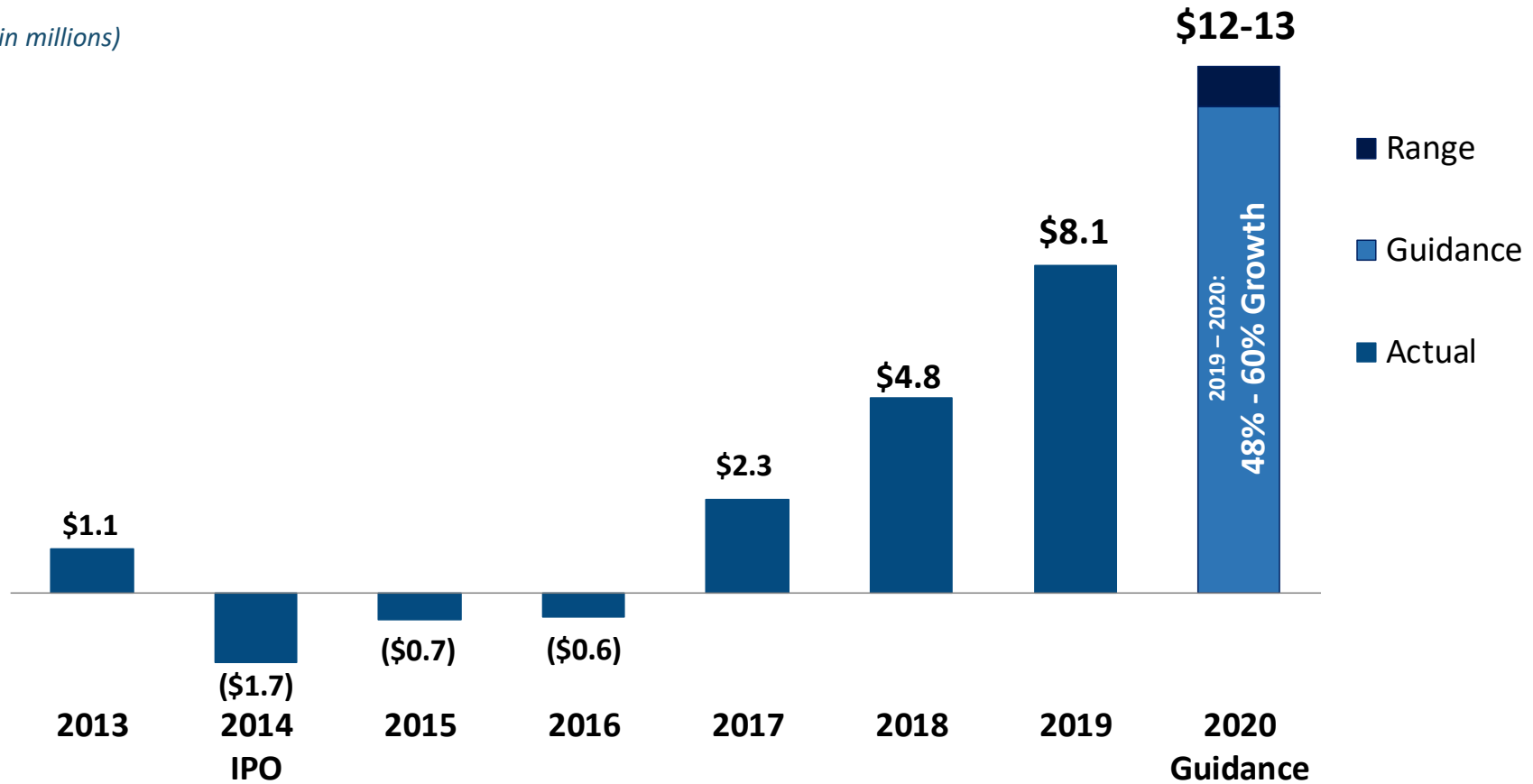
(\$ in millions)



*Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from anticipated results*

## Adjusted EBITDA: 2013 – 2019 plus 2020 guidance

(\$ in millions)



Investors are cautioned that such statements involve risks and uncertainties that could cause actual results to differ materially from anticipated results

See reconciliations of non-GAAP results in the Appendix 4

# Experienced Leadership Team



## Mahmud Haq

### Founder and Executive Chairman

- Former CEO of Compass International Services Corporation (Nasdaq: CMPS). Completed 14 acquisitions in 18 months, growing revenue to ~\$180 million rate. Acquired by NCO Group, Inc.
- Various senior positions at American Express Company (NYSE: AXP) for 12 years including VP of Global Risk Mgmt.
- B.S. in Aviation Management, Bridgewater State College. M.B.A. in Finance, Clark University



## Stephen Snyder

### Chief Executive Officer and Director

- Joined MTBC in 2005. Formerly served as VP / General Counsel, COO and President
- Attorney for 17 years with M&A and healthcare law experience
- Writings on healthcare industry, law and policy have been published by American Bar Association
- J.D. Rutgers School of Law – senior editor of law journal



## A. Hadi Chaudhry

### President and Director

- Joined MTBC in 2002. Formerly served as Manager of IT, General Manager, Chief Information Officer, and VP of Global Operations
- Extensive healthcare IT experience
- Various roles in the banking and IT sector prior to MTBC
- BS in Mathematics and Statistics and holds numerous information technology certifications



## Bill Korn

### Chief Financial Officer

- Joined MTBC in 2013
- CFO of Antenna Software, Inc. from 2002 – 2012. Completed 5 acquisitions and grew the business at a CAGR of 87%
- Former executive at IBM (NYSE: IBM) for 10 years.
- A.B. in Economics magna cum laude, Harvard College. M.B.A. Harvard Business School



## Howard Clark, Jr.

### Vice Chairman

- Former CFO of American Express Company (NYSE: AXP)
- Former CEO, Chairman and Vice Chairman of Shearson Lehman and Vice Chairman of Barclays Capital



## Anne Busquet

### Director

- Board member of Pitney Bowes Inc. (NYSE: PBI), Intercontinental Hotels Group plc (LSE: IHG) and Provista Diagnostics, Inc.
- Former President of American Express Interactive



## John Daly

### Director

- Former EVP and Director of E.F. Hutton & Company
- Former Head of Private Client Division and Int'l Equity Capital Markets at Salomon Brothers



## Cameron Munter

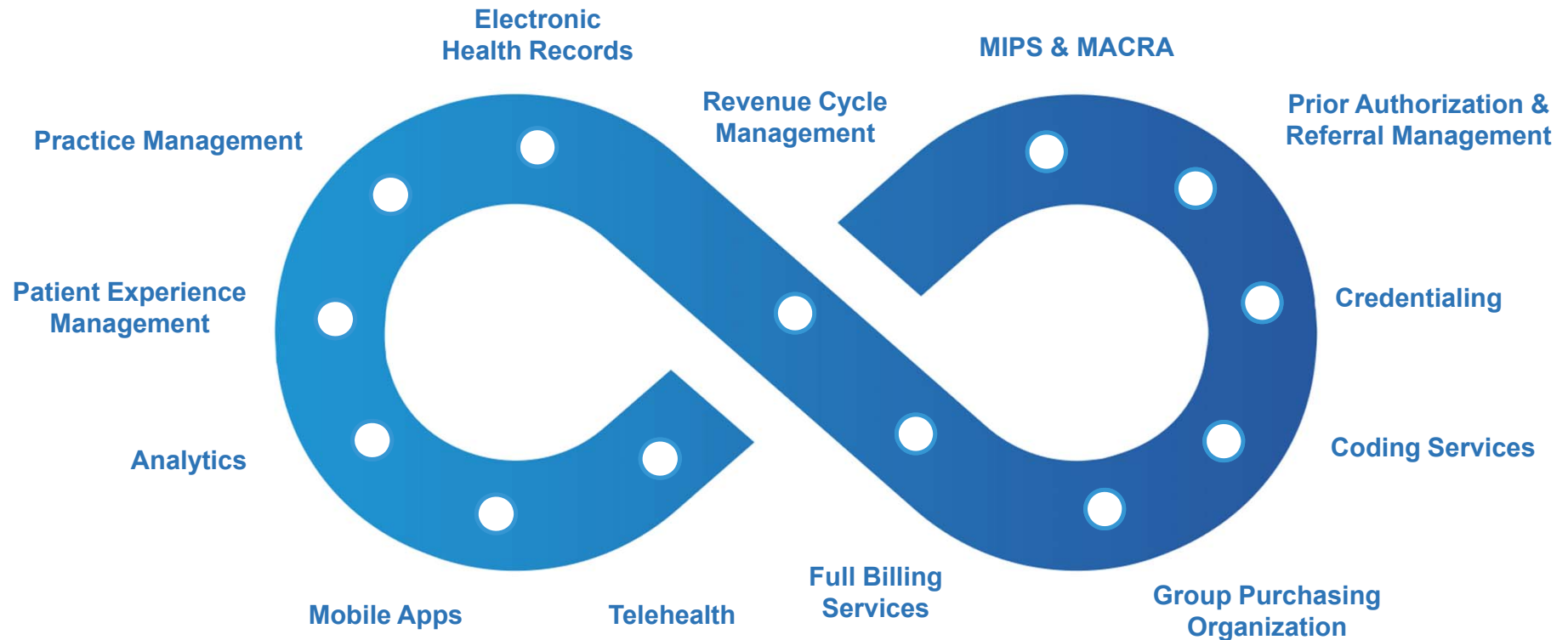
### Director

- Sr. Advisor, Agora Strategy Group AG (Berlin)
- Former President of the East-West Institute
- Former U.S. Ambassador to Pakistan

# Healthcare Providers Facing Unprecedented Challenges



# A Uniquely Comprehensive Value Proposition



← We believe that we have the most comprehensive software & services offering in the market →

# A Multi-faceted Growth Strategy

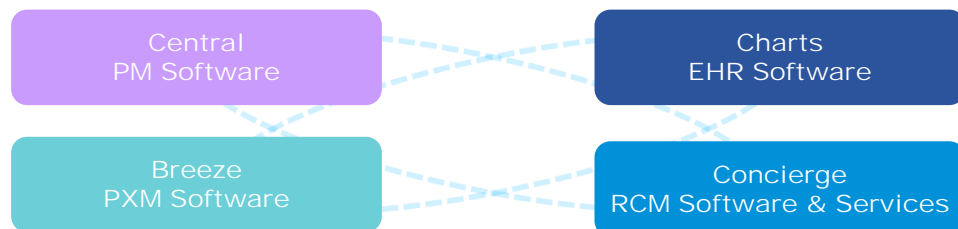


# Acquisitions: CareCloud

## A Transformative Market Opportunity

- Acquired January 8, 2020
- Proprietary, integrated, highly rated, cloud-based SaaS platform
- ~750 practices, ~4,500 providers
- Continuing annualized recurring revenues > \$30 M
- Purchase price: ~\$36 M plus \$3 M potential performance earn-out and warrants
- Aggressive R&D spending historically with resulting net losses\*
- Accretive to earnings for 2020

### Comprehensive **Software Solutions** for Physician Practices



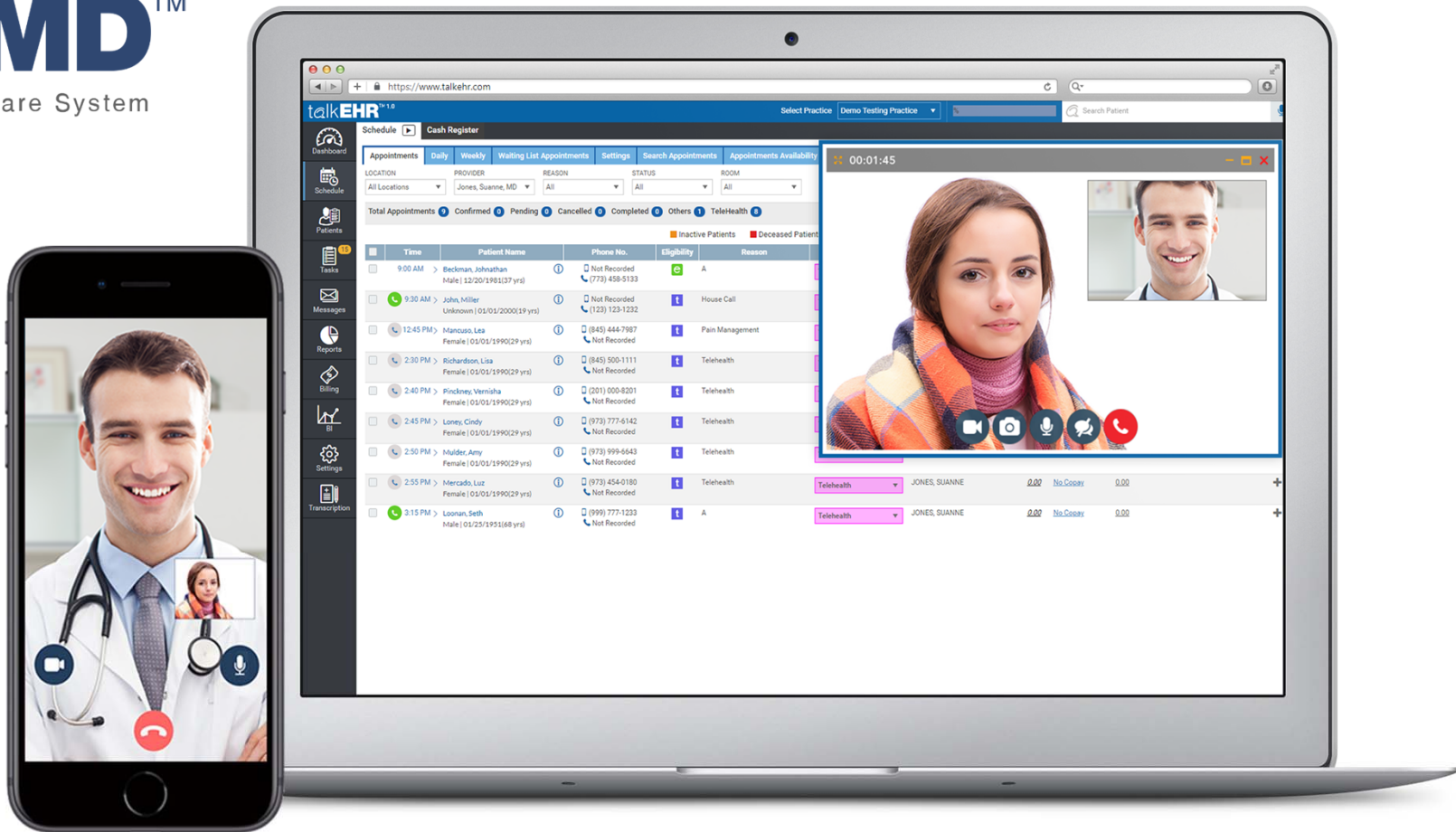
*\*Estimated net loss of \$26.3 million during 2018, the most recent year with audited financial results*



# Telehealth

**talkMD™**  
Virtual Healthcare System

**MTBC** A  
Unique  
Healthcare  
IT Company  
.com



# MTBC's Competitive Advantages

## Technology Platform



*ISO 27001 certified / HIPAA compliant*

## Global Team

- U.S.-based team with deep healthcare industry knowledge and expertise
- Significantly lower labor costs via over 2,000 English-speaking, college educated employees in Pakistan and Sri Lanka
- Approximately 300 dedicated technology professionals

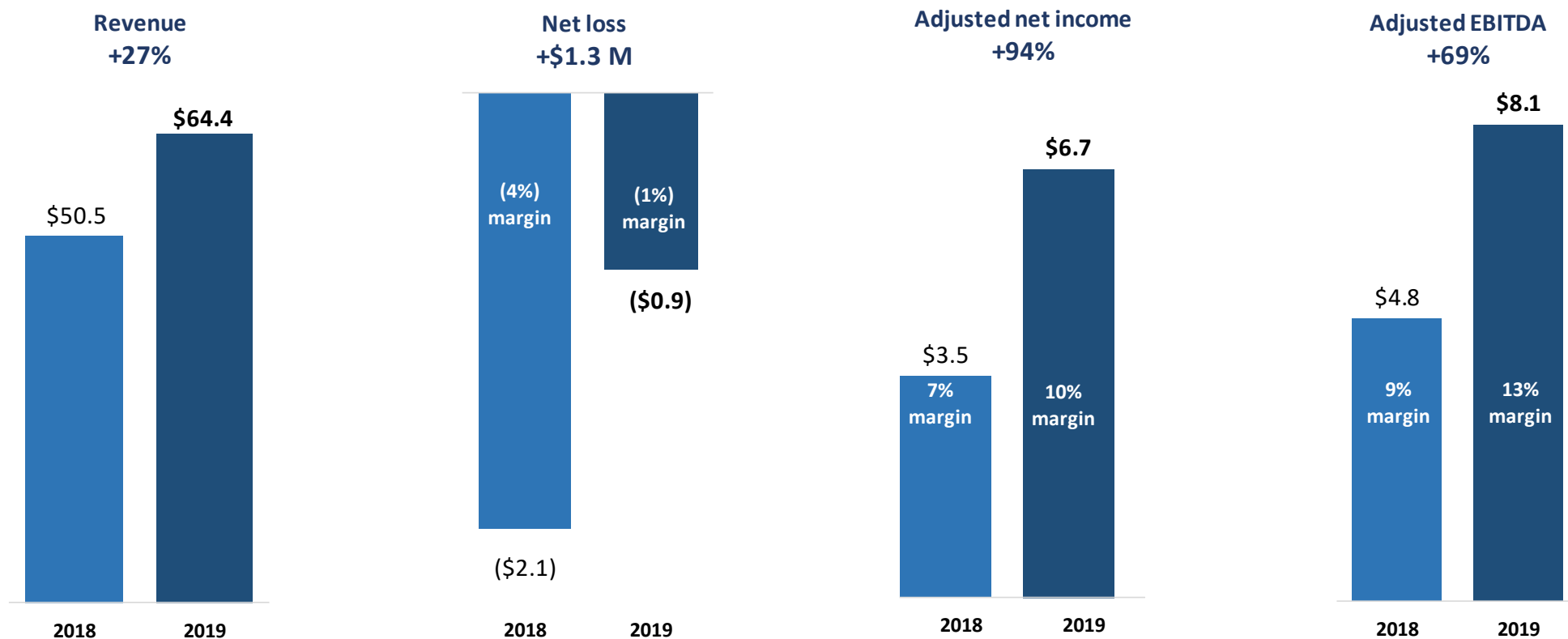


## Proven Integrator/Operator

- Scalable model with recurring revenue
- Completed 15 acquisitions since July 2014 IPO
- Track record of operating cost reductions and platform enhancements
- Positive adjusted EBITDA every quarter since Q2 2017



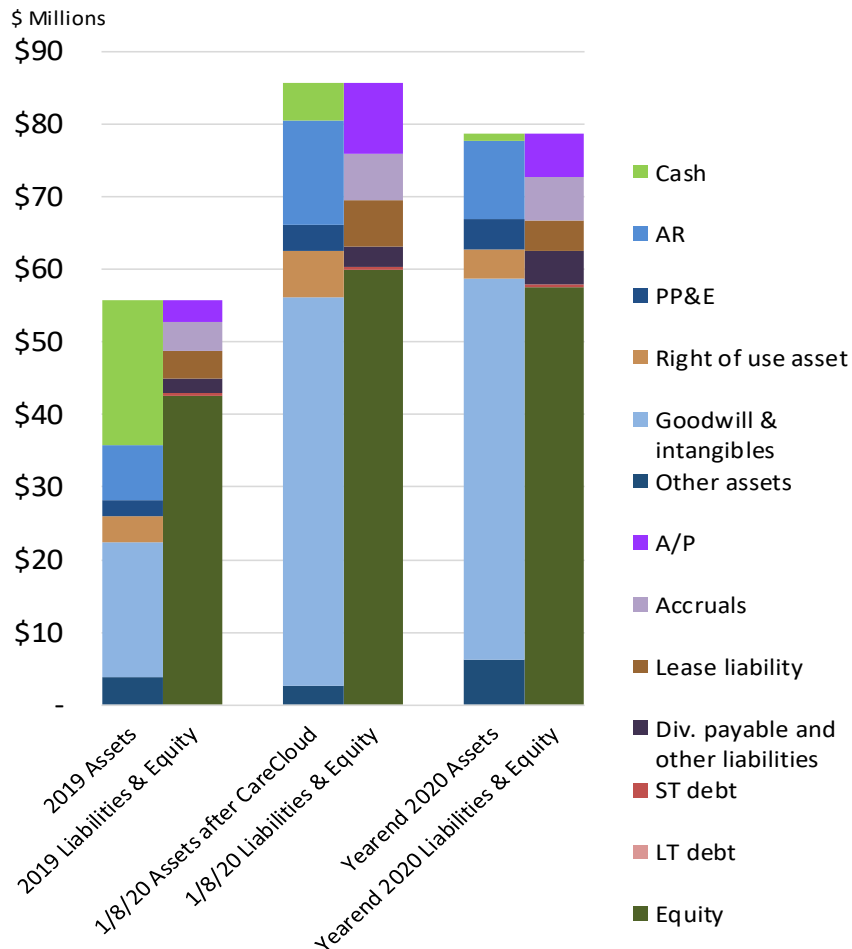
## 2019 Results



*(\$ in millions. Percent change reflects 2018 to 2019)*

See reconciliations of non-GAAP results in the Appendix

## Capitalization and Balance Sheet *after acquiring CareCloud*



### Highlights

- Acquisition paid in cash plus Series A Preferred Stock, without tapping Silicon Valley Bank line of credit or issuing additional common equity

### Common Stock (Nasdaq: MTBC)

- 12,335,930 shares outstanding
- Current price: \$6.64 (as of February 25, 2020)
- Market cap: \$81.9 million
- Insiders own approx. 49% of common stock

### Series A Preferred Stock (Nasdaq: MTBCP)

- 3,326,151 shares outstanding after acquisition
- Current price: \$27.61 (as of February 25, 2020)
- Equity value: \$91.8 million
- Dividend: 11% of par value (\$25.00), paid monthly
- Non-convertible
- Optionally redeemable at Company's choice after Nov. 2020

# Why MTBC

A proven healthcare IT operator focused on creating shareholder value through further revenue growth and increased operating cash flow

- Proprietary healthcare IT platform streamlines workflow, increases revenue and decreases expenses for customers
- Successful consolidator in highly fragmented industry
- Scalable operating cost structure
- Highly respected cloud-based platform
- 2020 revenue guidance: **\$100-102 million**
- 2020 adjusted EBITDA guidance: **\$12-13 million**



# Thank You



Corporate Website

[www.mtbc.com](http://www.mtbc.com)

Investor Relations page

[ir.mtbc.com](http://ir.mtbc.com)

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## Appendix

# Proven & Repeatable Acquisition Integration Expertise



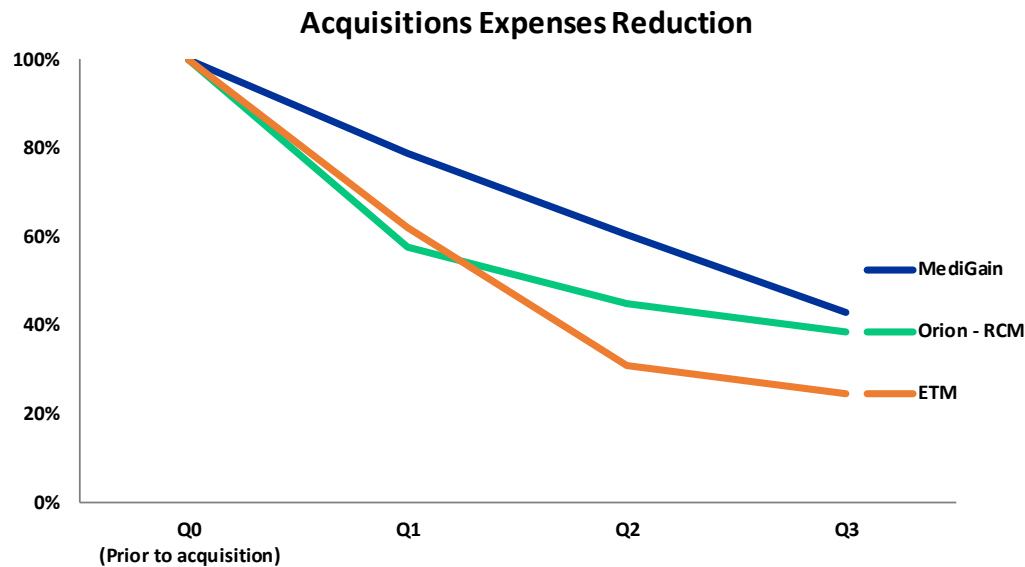
October 2016



July 2018



April 2019



For Orion, the practice management segment and group purchasing organization were profitable before acquisition, so expense reductions focused on RCM business only

- Reduction of expenses by over 60% in the first 3 quarters after closing
- Standard procedure:
  - Replace offshore subcontractors with MTBC's global team
  - Use MTBC's technology to streamline workflows
  - Reduce administrative burden of U.S. team so they can focus on client experience
- Acquisitions typically reduce adjusted EBITDA for 1-2 quarters, and are accretive by the 3<sup>rd</sup> or 4<sup>th</sup> quarter

# Non-GAAP Financial Measures Reconciliation and Definitions

(\$000s)	Adjusted EBITDA	2014	2015	2016	2017	2018	2019	Q4 2019
Net (loss) income		\$ (4,509)	\$ (4,688)	\$ (8,797)	\$ (5,565)	\$ (2,138)	\$ (872)	\$ 332
Provision (benefit) for income taxes		176	138	197	68	(157)	193	91
Net interest expense		157	262	646	1,307	250	121	39
Foreign exchange / other expense		135	(170)	53	(249)	(435)	827	419
Stock-based compensation expense		259	629	1,928	1,487	2,464	3,215	891
Depreciation and amortization		2,791	4,599	5,108	4,300	2,854	3,006	598
Transaction, integration, restructuring & impairment cost		1,076	341	976	791	1,891	1,955	416
Change in contingent consideration		(1,811)	(1,786)	(716)	152	73	(344)	-
Adjusted EBITDA		\$ (1,726)	\$ (675)	\$ (605)	\$ 2,291	\$ 4,802	\$ 8,101	\$ 2,786

(\$000s)	Adjusted Net Income	2014	2015	2016	2017	2018	2019	Q4 2019
Net (loss) income		\$ (4,509)	\$ (4,688)	\$ (8,797)	\$ (5,565)	\$ (2,138)	\$ (872)	\$ 332
Foreign exchange / other expense		135	(170)	53	(249)	(435)	827	419
Stock-based compensation expense		259	629	1,928	1,487	2,464	3,215	891
Amortization of purchased intangible assets		2,503	4,119	4,397	3,393	1,828	1,877	328
Transaction, integration, restructuring & impairment cost		1,076	341	976	791	1,891	1,955	416
Change in contingent consideration		(1,811)	(1,786)	(716)	152	73	(344)	-
Income tax expense (benefit) related to goodwill		-	172	175	27	(208)	80	50
Non-GAAP Adjusted Net Income		\$ (2,347)	\$ (1,383)	\$ (1,984)	\$ 36	\$ 3,475	\$ 6,738	\$ 2,434

## Definitions:

- Number of providers includes all providers using any offerings
- Patient lives are patients serviced by RCM and SaaS clients during 2019
- Annualized AR under management is the annualized charges for RCM and SaaS clients as of February 2020