



Nasdaq: MTBC

COMPANY OVERVIEW

CareCloud offers technology solutions (a combination of software and services offerings) for doctor's offices and medical practices to drive revenue growth, improve workflow and operation efficiency, and transform the patient experience. Its combination of software and service offerings include electronic health records, revenue cycle management, practice management, chronic care management, remote patient monitoring, business intelligence, telehealth, robotic process automation, mobile applications, workforce augmentation, and other services. Currently, ~40,000 providers leverage CareCloud solutions in 80 medical specialities.

Key Considerations

- Leading cloud-based healthcare platform with new digital health offerings to address the industry's challenges
- A unique low-cost offshore team as a competitive edge
- History of rapidly integrating large acquisitions driving enhanced scale
- Solid growth prospects driven by organic expansion and strategic initiatives

Healthcare Industry Challenges

Provider Pain Points



Staffing

Staffing shortages and labor inflation



Reimbursement Challenges

Increased coding complexity



Administrative Burden

Physicians spending more time entering data, less time with patients



Physician Burnout

Doctors working harder and getting paid less



Patient Experience

Higher demand for better experience and tech due to patient burden



Transition to Value-Based Care

Transition requires risk-taking, different model for care delivery

Reimbursement challenges, an industry wide shift to value-based care, and increasing patient experience requirements are the key challenges for all stakeholders in the U.S. healthcare ecosystem. CareCloud's solution is designed to address these industry challenges effectively.

The end-to-end solutions allow the company to be both methodical and nimble across a broad spectrum of clients and partners. CareCloud currently serves ~2,600 large & small medical practices, hospitals, and health systems nationwide.

Enabling a Broad Spectrum of Clients and Partners



Small Medical Practices

CareCloud leverages a global workforce to ensure costs are kept low and every medical practice can afford necessary technology



Large Physician Groups

CareCloud can provide a comprehensive package, or customize options to fit into complex systems already adopted by the group



Hospitals & Health Systems

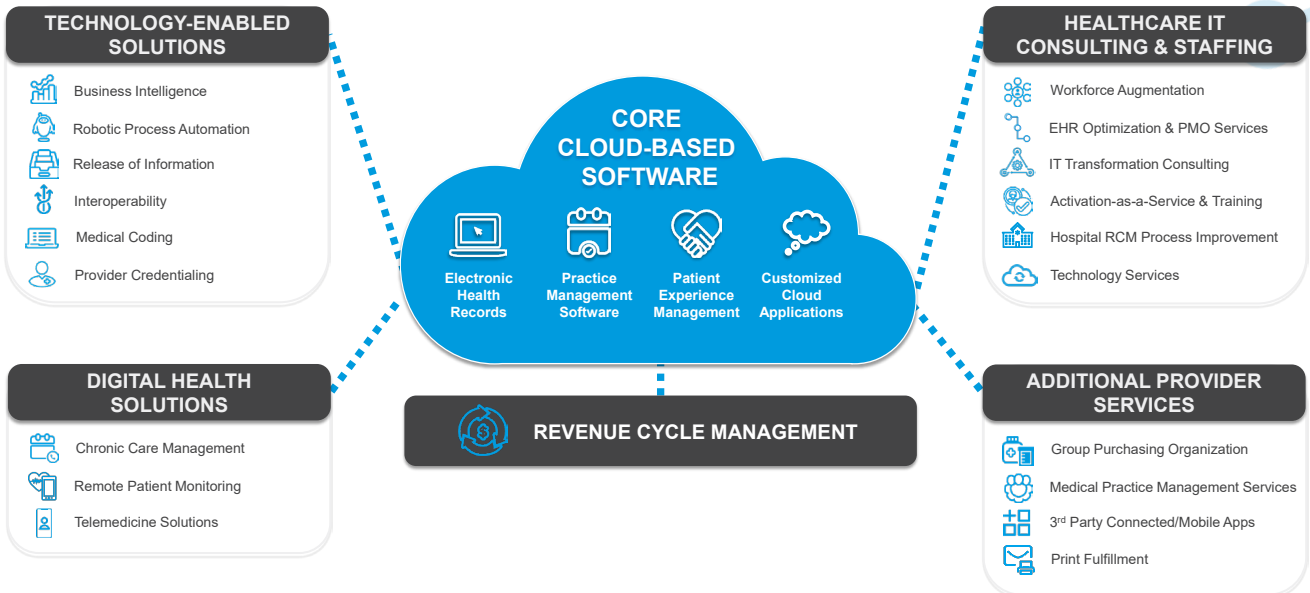
CareCloud's systems are built for interoperability, allowing easy communication of information between every system



Industry Partners

CareCloud's strengths allow it to turn our smaller competitors into customers - or industry partners - by supporting their back-end needs

CareCloud's End-to-End Solutions



Cloud-based Software - the core systems that powers medical practices across clinical, financial, and patient workflows including practice management systems, EHR solutions and patient experience applications or customized purpose-built applications).

Technology-enabled Services - software-enabled revenue cycle management offerings, business intelligence, robotic process automation, medical coding, etc.

Digital Health Offering - chronic care management, remote patient monitoring, and telemedicine solutions.

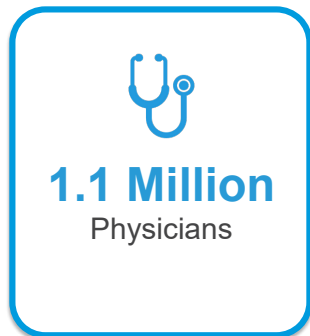
Healthcare IT Consulting & Staffing - an extensive set of services including EHR vendor-agnostic optimization and activation, project management, IT transformation consulting, process improvement, training, education, and staffing for large healthcare organizations including health systems and hospitals.

Workforce augmentation leverages the company's unique resources and, in turn, sells this capacity at scale directly to partners and clients at a reduced rate compared to other competitors in the same space. These workforce augmentation capabilities include offshore engineering capacity for development and offshore revenue cycle management operations personnel.

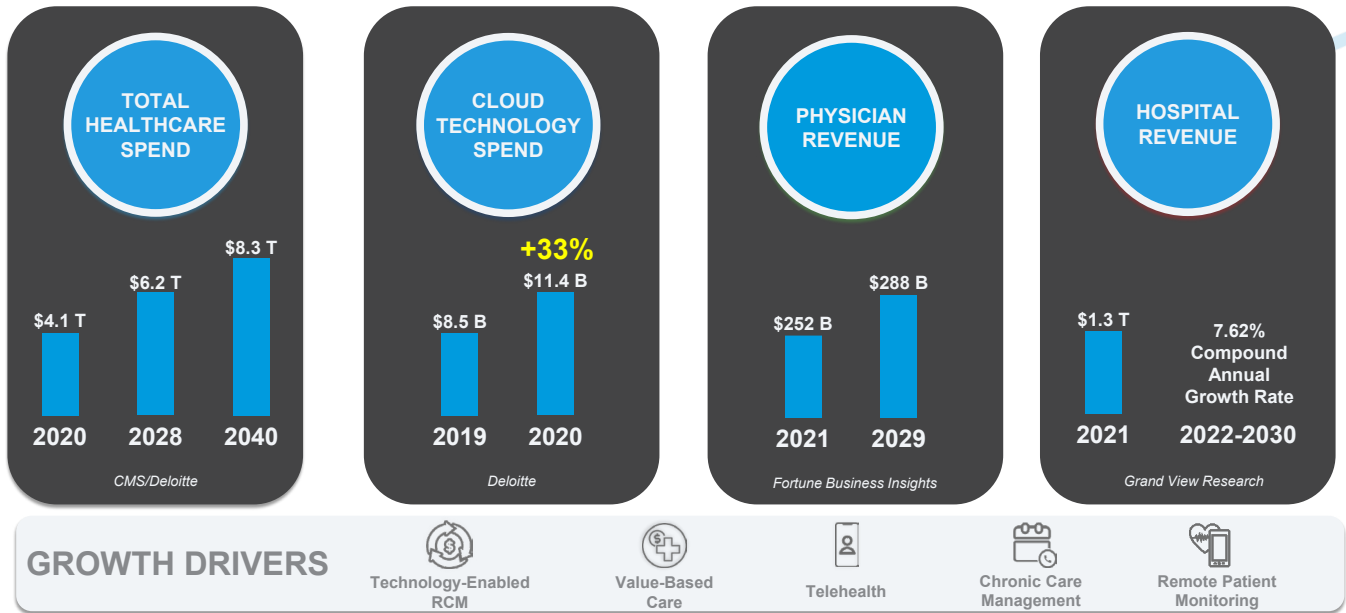
Additional Provider Services - medical practice management services to a select group of medical practices, a group purchasing organization with negotiated discounts with pharmaceutical manufactures containing more than 4,000 physician and mid-level provider members and other ancillary services.

Sizable and Growing Markets

The Opportunity Landscape of Healthcare *Addressable Market*



Healthcare Market Trends - U.S.



According to the Centers for Medicare & Medicaid Services (CMS) and Deloitte, national healthcare spending in the U.S. was \$4.1 trillion in 2020, and will grow at a 5.4% compounded annual rate, reaching \$6.2 trillion by 2028. Fortune Business Insights predicts physician revenue (CareCloud's business is largely driven by client's volume or revenue) will expand from \$252 billion in 2021 to \$288 billion in 2029. Grand View Research expects a 7.6% CAGR in hospital spending in 2022 to 2030.

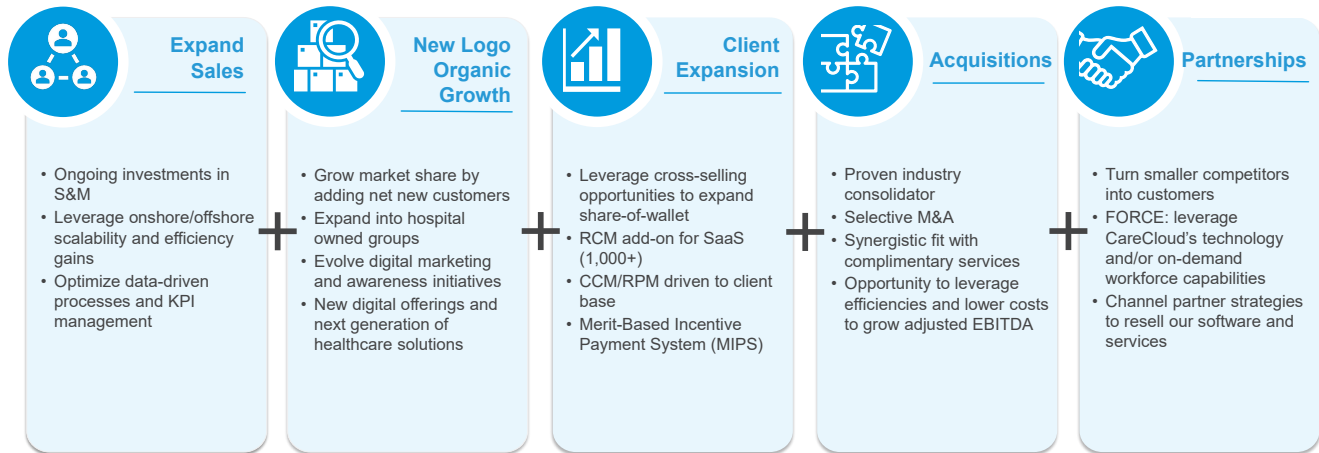
Offshore Footprint as a Competitive Edge

CareCloud offshore presence (3,500+ English-speaking, college-educated employees in Pakistan and Sri Lanka as well as 500 dedicated technology professionals) has two key advantages:

- Provides a competitive advantage on costs
 - CareCloud utilizes four offshore delivery centers in Pakistan and Sri Lanka
 - Most medical billing companies that CareCloud has acquired used domestic labor or subcontractors from higher cost locations to provide a substantial portion of their services. CareCloud is able to achieve significant cost reductions and higher quality by shifting the labor to its own offshore employees.
- Gains access to a professional workforce as talents

M&A, Partnerships and Organic Growth to Drive Long-Term Expansion

Healthcare Market Trends - U.S.



Acquisitions

CareCloud was historically highly active in M&A to achieve growth. The company has completed 17 acquisitions since its IPO in 2014. Most acquisitions are for adding customers, revenue, and occasionally extra capabilities. It has a solid track record in acquiring value creating assets and companies and integrating them to drive profitability improvements. Given the fragmented nature of the healthcare IT market, there are plenty of consolidation opportunities for the company in the future. When integrating the businesses, the company's playbook is to quickly reduce the cost structure of the acquired companies by replacing offshore subcontractors with the company's global team and greater use of its technology.

Going forward, the company has a more balanced approach in expanding the business and will be focused on organic partnerships expansion and organic growth, as well.

Partnerships

Some of these partners are customers through CareCloud Force which the company leverages its technology and or on-demand workforce capabilities of its global team. This is particularly useful during times when hospitals and large practices need additional staff and are unable to hire easily due to labor shortage issues, such as the post COVID-19 period. Other partners are more traditional channel partners who help promote CareCloud's solutions.

Organic Growth

To support organic growth, the company has expanded its global sales and marketing team by 11x from 2019 and established measurable metrics such as quota, customer acquisition costs, close rate analysis, and loss reason analysis to track and ensure performance.

With an expanded sales force, CareCloud is well positioned to acquire new customers and expand the share of wallet of existing customers through cross-selling new solutions. In 2022, CareCloud introduced a CareCloud Wellness solution suite which consists of Chronic Care Management and Remote Patient Monitoring, which could serve as a catalyst for future organic growth. New business bookings in Q3 2022 come largely from these new capabilities.

The engagement reduction of two large hospital customers, who were acquired and migrated to their acquirers' systems in mid-2022, will be a headwind for 2023 performance, but a high single-digit long term annual organic revenue growth rate beyond 2023 is reasonable. It is broken down into the following components: 1) new client additions could drive 10%, assuming the same percent of investments in sales and marketing, and customer acquisition costs as in 2022. 2) cross-sells existing customers with CareCloud Wellness and other solutions could drive 4-8%, 3) the natural client churn from physicians retiring, selling practices, etc. could post an 8% headwind.

CareCloud Wellness Solution - A Key Driver For Organic Growth

The burden of chronic diseases is sizable; healthcare expenditure from chronic and mental conditions represents 90% of total spend and stands at \$3.7 trillion. CareCloud Wellness offers tremendous value for patients and care providers.

Value of CareCloud Wellness



Frequent coordination by CCW Care Team improves patient satisfaction

Ongoing management of chronically ill patients decreases hospitalization

Patients gain enhanced care with proactive support



Providers gain peace of mind from additional record reconciliation

Continuous tracking of a practice's program eligibility leads to increased office visits

Easy to use and manage



Increased practice growth at no additional cost

Real-time data-driven care delivery to patients

Addresses staffing challenges by removing the burden from current provider team

Wellness services and offerings are reimbursed by Medicare and private insurance, and CareCloud expects the solution to help drive meaningful revenue growth for healthcare practices. Care providers do not incur any additional costs to sign up for the solutions. CareCloud provides the software, devices that are FDA-approved and covered by Medicare, and appointment setups and remote care managers.

Key Components



CareCloud offers a complete **turnkey solution** that provides a way to:

- Optimize practice *revenue*
- Coordinate *referrals*
- *Easily bill* for CCM & RPM services
- Refill *prescriptions* under supervision
- *Improve communication* among other treating clinicians
- *Schedule appointments* within the provider's operational proximity

Certified U.S.-based Care Managers

Eligibility determination

Free devices and inventory management (for RPM)

Device troubleshooting

Front desk and provider training

Care plans per CMS standards

Revenue Cycle Management

Patient education content

A PROVEN MANAGEMENT TEAM



Mahmud Haq

Founder & Executive Chairman

- Former CEO of Compass International Services (Nasdaq: CMPS); completed 14 acquisitions in 18 months, grew revenue to ~\$180M run rate, and acquired by NCO Group
- Increasing senior positions at American Express
- B.S., Aviation Management, Bridgewater State College
- M.B.A., Finance, Clark University



A. Hadi Chaudhry

President, Chief Executive Officer & Director

- Joined in 2002
- Previously served as Manager of IT, General Manager, Chief Information Officer, and VP of Global Operations
- Extensive healthcare IT experience, including various roles in the banking and IT sector
- B.S., Mathematics & Statistics; numerous IT certifications



Bill Korn

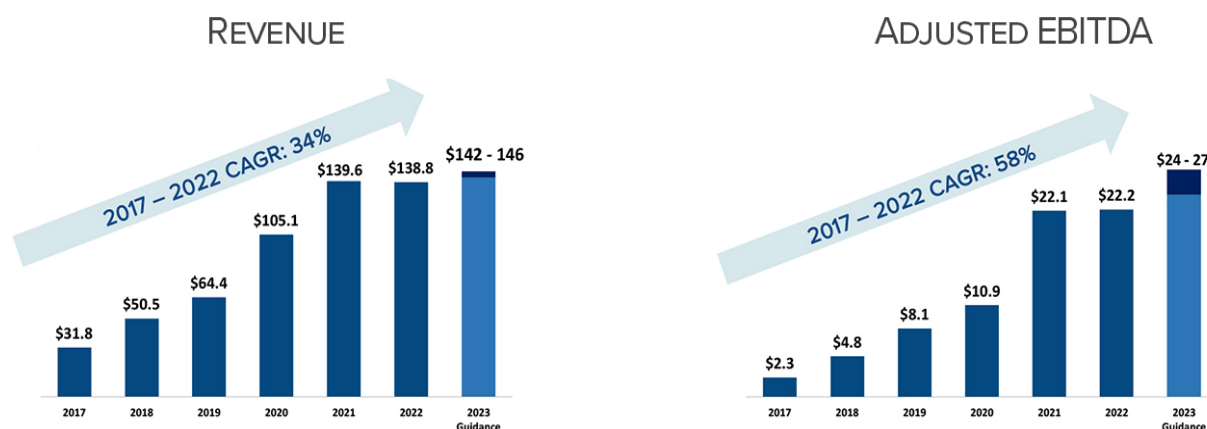
Chief Financial Officer

- Joined in 2013
- Former CFO of Antenna Software (2002-2012); completed 5 acquisitions, driving 87% CAGR
- Former executive at IBM (NYSE: IBM) for 10 years
- A.B., Economics, magna cum laude, Harvard College
- M.B.A., Harvard Business School

A Long History of Solid Financial Performance

CareCloud reported 45% and 76% revenue and adjusted EBITDA CAGR respectively in 2017-2021.

Revenue and Adjusted EBITDA



Adjusted EBITDA Reconciliation

(\$000s)	Adjusted EBITDA	2017	2018	2019	2020	2021
Net (loss) income		\$ (5,565)	\$ (2,138)	\$ (872)	\$ (8,813)	\$ 2,836
Provision (benefit) for income taxes		68	(157)	193	103	157
Net interest expense		1,307	250	121	446	440
Foreign exchange / other expense		(249)	(435)	827	71	241
Stock-based compensation expense		1,487	2,464	3,216	6,502	5,396
Depreciation and amortization		4,300	2,854	3,006	9,905	12,195
Transaction and integration costs		515	1,891	1,735	2,694	1,364
Net loss on leases, restructuring, impairment & unoccupied lease charges		276	-	219	963	2,005
Change in contingent consideration		152	73	(344)	(1,000)	(2,515)
Adjusted EBITDA		\$ 2,291	\$ 4,802	\$ 8,101	\$ 10,871	\$ 22,119

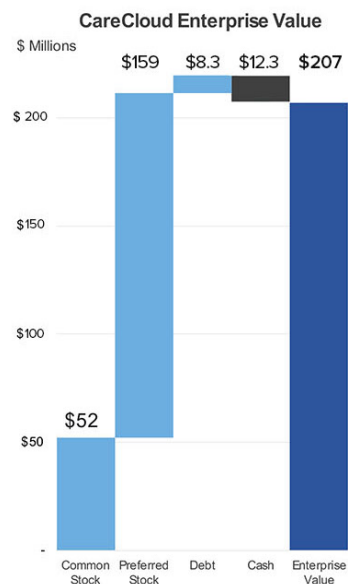
Capital Structure

The company has historically utilized its preferred stock to fund growth and M&A. On 12/9/2022, Series A perpetual preferred stock was \$113 million (at \$25 par value), paying an 11% dividend on par value and redeemable at \$25 per share, and Series B nonconvertible preferred stock had a redemption value of \$33 million, paying an 8.75% dividend on par value.

At the end of 3Q 2022, CareCloud had \$4.9 million in cash, and \$0.6 million in debt (paid down from \$7 million in the prior quarter). The company has a strong balance sheet to support future organic growth. CareCloud also has access to a \$20 million line of credit.

Capitalization as of March 31, 2023

	Common Stock	Series A Preferred Stock	Series B Preferred Stock
Stock Symbol	Nasdaq: CCLD	Nasdaq: CCLDP	Nasdaq: CCLDO
Stock Price¹	\$3.35	\$27.67	\$23.49
Outstanding Shares¹	15.6 million	4.5 million	1.4 million
Equity Value	\$52 million	\$125 million	\$34 million
Share Structure/Terms	<ul style="list-style-type: none"> Public Float: 10.2 M shares Fully Diluted: 17.3 M shares Insiders: ~34% 	<ul style="list-style-type: none"> Dividend: 11% of redemption value (\$25.00), paid monthly Non-convertible Redeemable at \$25.00 per share at Company's option Redemption value: \$113 M 	<ul style="list-style-type: none"> Dividend: 8.75% of redemption value (\$25.00), paid monthly Non-convertible Redeemable at \$25.75 per share starting 2/2024, steps down to \$25.00 by 2/2027 Redemption value: \$36 M



1. Stock prices and shares as of March 31, 2023. Debt and cash as of December 31, 2022.