



# Medical Transcription Billing, Corp.

(NASDAQ: MTBC, MTBCP)

Corporate Presentation – March 2018



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## Statement about Free Writing Prospectus



The issuer has filed a registration statement with the SEC for the offering to which this presentation relates. This free writing prospectus relates to the proposed public offering of Series A Preferred Stock of Medical Transcription Billing, Corp. (the "Company"), registered in a Registration Statement on Form S-1 (the "Registration Statement"), Commission File No. 333-223886. This free writing prospectus should be read together with the Registration Statement and the prospectus included in that Registration Statement (including the risk factors described therein), which can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1582982/000149315218003813/forms-1.htm>

You may also access the Company's annual reports, quarterly and current reports, proxy statements and other information on the SEC website through the following link:

<https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0001582982&type=&dateb=&owner=exclude&count=100>

Before you invest, you should read the Registration Statement, the prospectus and the other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov) or on MTBC's investor relations web site at [ir.mtbc.com](http://ir.mtbc.com). Alternatively, the Company, any underwriter or any dealer participating in the offering will arrange to send you the entire prospectus if you request it by calling Bill Korn (732) 873-5133 x 133 or emailing [bkorn@MTBC.com](mailto:bkorn@MTBC.com).

# Forward-Looking 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 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, who are critical to growing our business and continuing to improve profitability;
- Comply with covenants contained in our credit agreement with our senior secured lender, Silicon Valley Bank and other future debt facilities;
- 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.

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.

## Transaction Overview



<b>Issuer</b>	Medical Transcription Billing, Corp.
<b>Exchange: Symbol</b>	NASDAQ Capital Market: MTBCP
<b>Shares Offered</b>	11% Series A Cumulative Redeemable Perpetual Preferred Stock
<b>Dividends</b>	Payable on the 15 <sup>th</sup> day of each month
<b>Offering Price</b>	\$25.00 per share
<b>Redemption</b>	Redeemable after November 4, 2020 at \$25.00 per share
<b>Offering Size</b>	\$10,000,000
<b>Use of Proceeds</b>	General corporate purposes and additional working capital
<b>Placement Agents</b>	<ul style="list-style-type: none"><li>• H.C. Wainwright &amp; Co.</li><li>• Boenning &amp; Scattergood</li></ul>

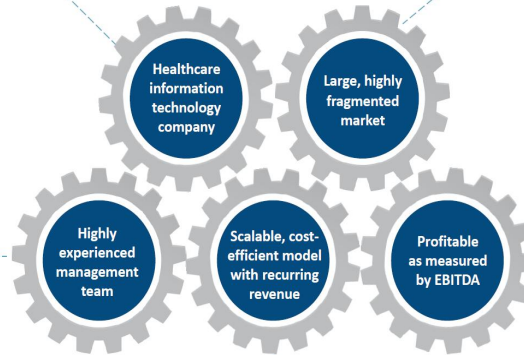
# MTBC Investment Highlights



MTBC is a healthcare information technology company that provides a fully integrated suite of proprietary web-based solutions, together with related business services, to healthcare providers

Proprietary, fully integrated, SaaS and service solution

Consolidator in the highly fragmented healthcare IT market

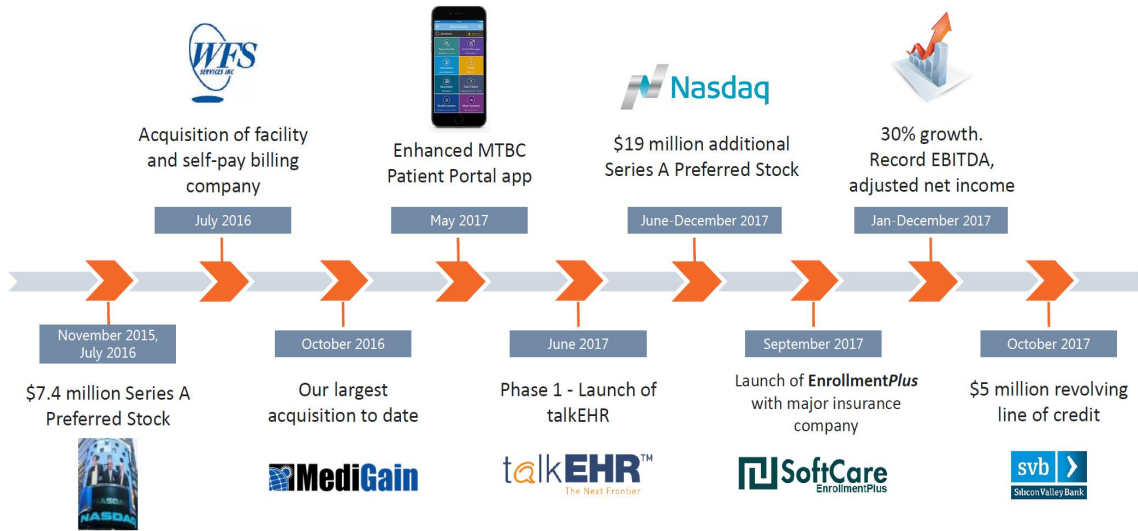


Completed and integrated 15 acquisitions over the last 5 years

Cloud-based software and cost-effective global team

Positive adjusted EBITDA

# MTBC – Recent News



# MTBC Equity Snapshot as of March 22, 2018

## Common Stock



- Nasdaq: MTBC
- Outstanding: 11,665,174
- Current price: \$3.64
- Market cap: \$42.5 million
- Share structure:
  - Fully diluted: 15,643,159
  - Public float: 5,888,754
  - Insiders: 49.7%

## Series A Preferred



- Nasdaq: MTBCP
- Outstanding: 1,116,289
- Current price: \$26.25
- Equity value: \$29.3 million
- Dividend: 11% of par value (\$25.00), paid monthly
- Redeemable after Nov. 2020
- Non-convertible

# Experienced Leadership Team



**Mahmud Haq**

## Executive Chairman

- Former CEO of Compass International Services Corporation (Nasdaq: CMPS). Completed 14 acquisitions in 18 months during 1998 – 1999, growing revenue from \$87 million at the time of IPO to a run rate of ~\$180 million at the time Compass was acquired by NCO Group, Inc. (Nasdaq: NCOG)
- Held 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 15 years with M&A and healthcare law experience
- Writings on healthcare industry, law and policy have been published by American Bar Association and various healthcare industry publications
- J.D. Rutgers School of Law – Newark, senior editor of law journal



**Bill Korn**

## Chief Financial Officer

- Joined MTBC in 2013
- Former CFO of Antenna Software, Inc. from 2002 – 2012, where he completed 5 acquisitions and was a key contributor to growing the business at a CAGR of 87%
- Former executive at IBM (NYSE: IBM) for 10 years. Part of the senior management team that created IBM's highly successful services strategy in the 1990's
- A.B. in Economics magna cum laude, Harvard College. M.B.A. Harvard Business School



**A. Hadi Chaudhry**

## President

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



# Distinguished Board of Directors



Howard Clark Jr.

- 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

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



John Daly

- 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

- President and CEO of the East-West Institute
- Former U.S. Ambassador to Pakistan and U.S. Deputy Chief of Mission to Poland

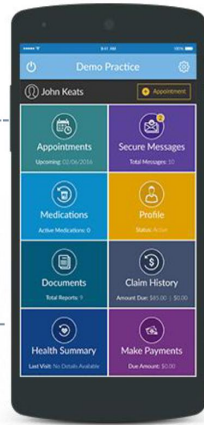
**Management plus Board members own nearly 50% of MTBC's common stock**

## Healthcare Reform

Increases complexity and uncertainty, driving increased demand for MTBC's services

## EHR Consolidation

Majority of EHR companies lack the scale and integrated RCM solution to remain competitive in the evolving market



## MACRA & MIPS

Requires providers to leverage technology and expertise like MTBC's to optimize reimbursement

## RCM Consolidation

Majority of RCM companies lack the technology and scale to remain competitive in the evolving market

MTBC's technology offers healthcare providers a cost-effective, single-sourced vendor to meet the requirements of a changing regulatory landscape while simultaneously lowering costs

# Market Opportunity



The North American EHR / RCM industry represents a \$26+ billion opportunity, growing 12% per year

athenahealth, Inc. (Nasdaq: ATHN) is the largest market participant with a market share of less than 5%



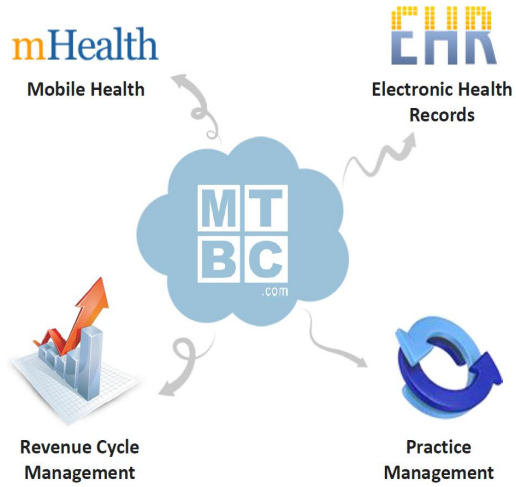
**Two target market segments:**

- Smaller practices: MTBC's turnkey technology platform with integrated RCM
- Larger practices: MTBC's customized solutions, integrated with MTBC's or third-party EHR

Mobile Health		
Practice Management	Nasdaq: MTBC	Nasdaq: ATHN
Revenue Cycle Management	TTM Revenue: \$32 M	TTM Revenue: \$1.2 B
Electronic Health Record		

# MTBC's Competitive Advantage

## Integrated Solution



## Technology Platform



*ISO 27001 certified / HIPAA compliant*

## Global Team

- ~1,600 English-speaking, college educated, employees in Pakistan and Sri Lanka, where the labor costs are significantly less than in the U.S. or India
- Approximately 200 dedicated technology professionals
- Nominated for U.S. Secretary of State's Award for Corporate Excellence

# New Products and Services



- Fully integrated, cloud-based electronic health record platform
- Voice recognition
- Artificial intelligence
- Anywhere, any device, synced automatically
- Completely secure
- From solo practice to a multi-specialty group



Advanced Artificial Intelligence



MACRA-Ready



Intelligent Voice Assistant



Support for Wearable Tech

## EnrollmentPlus™

- Innovative enrollment clearinghouse solution
- Electronic Data Interchange
- Drive down the cost of processing insurance enrollments
- Improve information visibility
- Drastically speed up on-boarding times
- Piloting with a large insurance carrier



Seamless Workflows

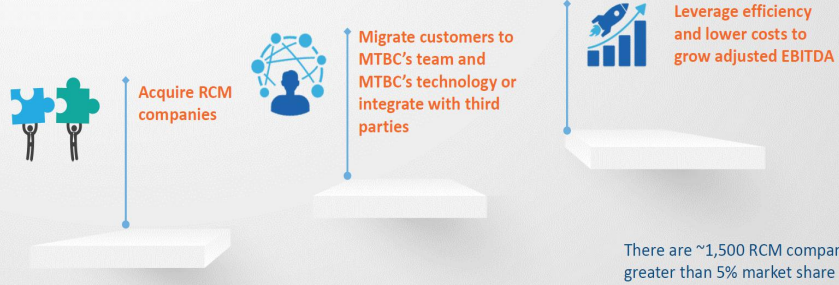


Electronic Data Interchange



Lightning Fast

## Acquisitions



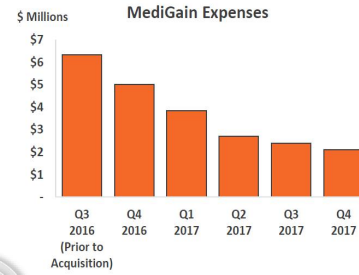
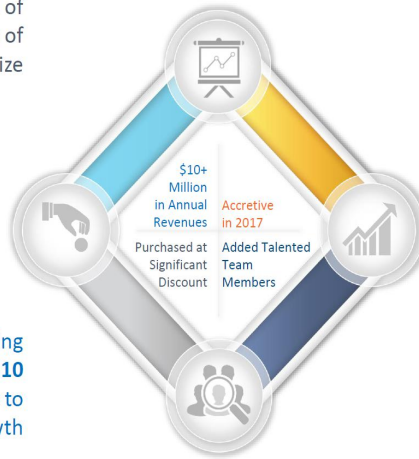
## Organic Growth



The company’s assets were acquired for **\$7 million**, which represents a significant discount to the industry standard of more than 1x revenues for a business of MediGain’s size

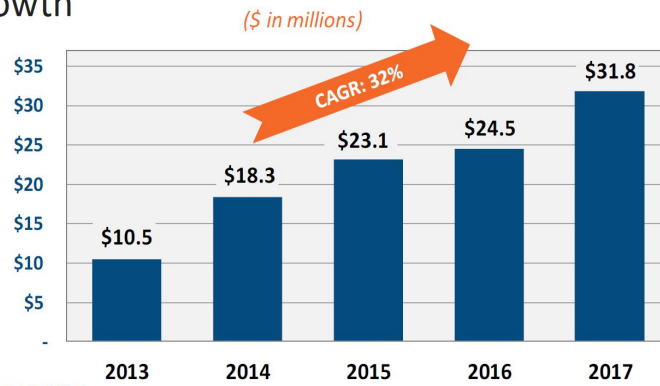
We have expanded our **Asia-based team** to Sri Lanka, while also making key additions to the U.S. team

MediGain’s accounts in good standing have annual revenues of **more than \$10 million**, which continue to contribute to MTBC’s overall revenue growth



Reduced monthly operating expenses by **62%** during first year, eliminating subcontractors, reducing facilities and utilizing offshore employees

## Revenue Growth



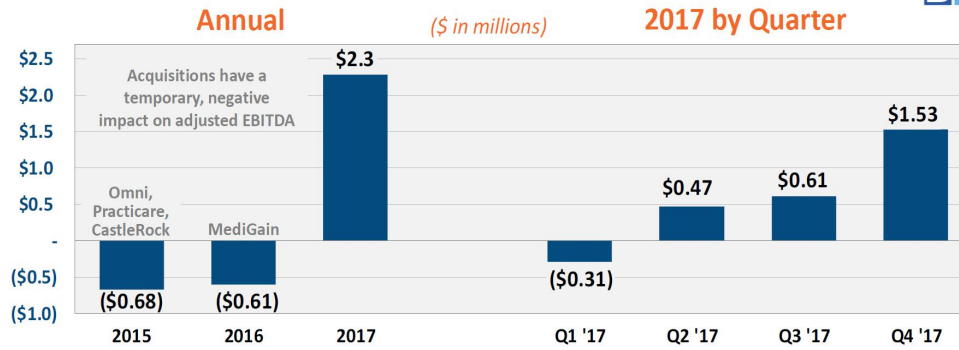
### REVENUE DETAILS:

- 1) **88%** of revenue is an integrated solution fee – a percentage of payments collected by our clients
- 2) Our effective rate averages approximately **5%** of clients' collections
- 3) **4%** of revenue from optional ancillary services, including transcription, coding, and consulting
- 4) **8%** of revenue from clearinghouse, EDI and recovery services
- 5) 2017 revenue of **\$31.8** million, at the **upper end of our guidance** of \$31 - \$32 million

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



# Adjusted EBITDA



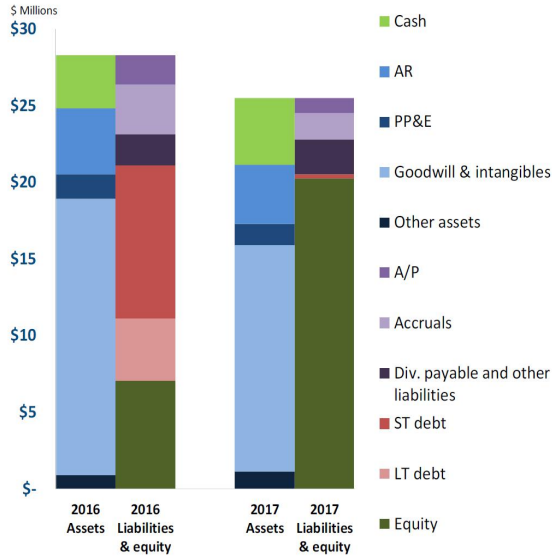
**NOTES:**

- Adjusted EBITDA is typically negatively impacted by the integration of acquired businesses for several quarters, reflecting ramp-up of offshore costs prior to terminating subcontractors & reducing onshore employees
- During 2017 we reduced expenses for people and facilities from the MediGain acquisition, and achieved **\$2.3 million** of adjusted EBITDA, **above the midpoint of our guidance** of \$2.0 - \$2.5 million

	(\$ in thousands)						
	2015	2016	2017	Q1 2017	Q2 2017	Q3 2017	Q4 2017
GAAP net loss	\$(4,688)	\$(8,797)	\$(5,565)	\$(2,708)	\$(1,693)	\$ (980)	\$ (184)
Provision for income taxes	138	197	68	60	67	65	(124)
Net interest expense	262	646	1,307	276	280	673	78
Foreign exchange / other expense	(170)	53	(249)	(38)	28	(24)	(215)
Stock-based compensation	629	1,928	1,487	129	79	126	1,153
Depreciation and amortization	4,599	5,108	4,300	1,520	1,453	664	663
Integration, transaction and restructuring costs	341	976	791	459	92	85	155
Change in contingent consideration	(1,786)	(716)	152	(11)	163	-	-
<b>Adjusted EBITDA</b>	<b>\$ (675)</b>	<b>\$ (605)</b>	<b>\$ 2,291</b>	<b>\$ (313)</b>	<b>\$ 469</b>	<b>\$ 609</b>	<b>\$ 1,526</b>

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# Balance Sheet



## During 2017 we:

- Sold 765,000 shares of our non-convertible Series A Preferred Stock, **raising net proceeds of \$16.5 M**
- **Repaid \$9.3 M** of loans from Opus Bank two years before maturity
- **Paid \$5.3 M** to Prudential for the acquisition of assets of MediGain
- Ended the year with **\$4.4 M of cash** and virtually no debt
- Secured a **\$5 M line of credit** with Silicon Valley Bank, which is **untapped**

## For More Information

### Our prospectus

<https://www.sec.gov/Archives/edgar/data/1582982/000149315218003813/forms-1.htm>

### Our corporate website

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

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