UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **June 16, 2020**

MTBC, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-36529**	**22-3832302**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

7 Clyde Road, Somerset, New Jersey, 08873
(Address of principal executive offices, zip code)

(732) 873-5133
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.001 per share	MTBC	Nasdaq Global Market
11% Series A Cumulative Redeemable Perpetual Preferred Stock, par value $0.001 per share	MTBCP	Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company [ ]

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. [ ]

Explanatory Note

On June 17, 2020, MTBC, Inc. (the "Company") filed with the Securities and Exchange Commission ("SEC") a Current Report on Form 8-K (the "Original Form 8-K") to disclose that the Company had acquired Meridian Billing Management Co., a Vermont corporation, and Origin Holdings, Inc., a Delaware corporation (collectively, "Meridian"). This Amendment No. 1 (this "Amendment") to the Original Form 8-K is being filed by the Company for the purpose of amending and supplementing Item 9.01 of the Original Form 8-K to include the annual audited and interim unaudited financial statements of Meridian and the pro forma financial information required by Items 9.01(a) and (b) of Form 8-K and should be read in conjunction with the Original Form 8-K. No other changes are made to the Original Form 8-K by this Amendment.

Section 9 — Financial Statements and Exhibits

Item 9.01 Financial Statements and Exhibits

(a) Financial statements of businesses acquired

The combined financial statements of Meridian are filed as Exhibit 99.1 and Exhibit 99.2 to this Form 8-K and incorporated by reference herein.

(b) Pro forma financial information

Pro forma financial information with respect to the acquisitions of Meridian, CareCloud Corporation ("CareCloud") and Etransmedia Technology, Inc. ("ETM") is filed as Exhibit 99.3 to this Form 8-K and incorporated by reference herein.

(c) Exhibits

No.	***Description***
23.1	Consent of Freedman & Goldberg CPAs, P.C.
99.1	Annual combined financial statements of Meridian.
99.2	Unaudited interim combined financial statements of Meridian.
99.3	Unaudited Pro Forma Condensed Combined Financial Information with respect to the acquisitions of Meridian, CareCloud and ETM
99.4	Supplemental information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MTBC, Inc.
(Registrant)

By: */s/ Stephen A. Snyder*
Stephen A. Snyder
Chief Executive Officer

Date: August 11, 2020

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our report dated August 5, 2020, with respect to the combined financial statements of Meridian Billing Management Co. and Origin Holdings, Inc. for the years ended December 31, 2019 and 2018, included in this Form 8-K of MTBC, Inc. We consent to the incorporation by reference of said report in the Registration Statement of MTBC, Inc. on Forms S-8 (File Nos. 333-239781, 333-226685, 333-217317 and 333-203228) and on Form S-3 (File No. 333-232493).

/s/ Freedman & Goldberg CPAs, P.C.

Farmington Hills, Michigan
August 11, 2020

Exhibit 99.1

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED FINANCIAL STATEMENTS

December 31, 2019 and 2018

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors and Stockholders of
Meridian Billing Management Company
Origin Holdings, Inc. and its Subsidiaries

We have reviewed the accompanying interim financial statements of Meridian Billing Management Company and Origin Holdings, Inc. and its subsidiaries (the "Company"), which comprise the combined balance sheet as of March 31, 2020, and the related combined statements of loss, stockholders' equity (deficit), and cash flows for the three months ended March 31, 2020 and 2019, and the related notes to the combined interim financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the interim financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the interim financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Freedman & Goldberg, C.P.A.s, P.C.

Farmington Hills, Michigan
August 5, 2020

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED BALANCE SHEETS
As of December 31, 2019 and 2018

	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	$ 3,517,115	$ 2,467,797
Accounts receivable, net	6,104,089	5,942,738
Contract asset	760,508	-
Income taxes receivable	6,574	27,213
Prepaid expense	565,354	696,347
Total current assets	**10,953,640**	**9,134,095**
Property and equipment, net	**903,601**	**1,088,396**
Other assets		
Goodwill, net	14,133,393	17,705,202
Intangible assets, net	10,003,904	11,779,170
Security deposits and other assets	160,508	151,466
Deferred income taxes	27,200	-
Total other assets	**24,325,005**	**29,635,838**
Total assets	**$ 36,182,246**	**$ 39,858,329**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 2,768,309	$ 4,329,283
Accrued expenses	4,069,878	4,459,158
Line of credit	2,500,000	1,500,000
Current portion of long-term debt	20,581,158	1,391,264
Current portion of capital lease obligation	30,000	30,000
Deferred revenue	1,362,560	1,213,749
Other current liabilities	61,621	29,371
Income taxes payable	136,944	-
Total current liabilities	**31,510,470**	**12,952,825**
Long-term liabilities		
Long-term debt, net of current portion	-	20,378,937
Long-term capital lease obligation, net of current portion	50,000	80,000
Deferred rent expense	1,775,872	2,188,389
Deferred income taxes	-	100,539
Total long-term liabilities	**1,825,872**	**22,747,865**
Total liabilities	**33,336,342**	**35,700,690**
Stockholders' equity		
Common stock, 1,100 shares	23,289,922	23,289,922
Additional paid-in capital	36,714,021	32,284,021
Accumulated deficit	(57,158,039)	(51,416,304)
Total stockholders' equity	**2,845,904**	**4,157,639**
Total liabilities and stockholders' equity	**$ 36,182,246**	**$ 39,858,329**

The accompanying notes are an integral part to these combined financial statements.

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED STATEMENTS OF LOSS
For the years ended December 31, 2019 and 2018

	2019	2018
Revenues	$ 50,832,326	$ 53,084,292
Cost of sales	35,180,453	37,322,261
Gross profit	**15,651,873**	**15,762,031**
Operating expenses	8,078,282	10,176,238
Income from operations	**7,573,591**	**5,585,793**
Other expense		
Depreciation	460,389	579,473
Amortization	6,419,584	6,376,456
Interest expense	2,544,132	2,670,994
Management fee	-	461,044
Restructuring expense	4,195,057	2,718,856
Other expense, net	82,828	248,944
Total other expense	**13,701,990**	**13,055,767**
Loss before income taxes	**(6,128,399)**	**(7,469,974)**
Income taxes	159,077	196,311
Net loss	**$ (6,287,476)**	**$ (7,666,285)**

The accompanying notes are an integral part to these combined financial statements.

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED STATEMENTS OF STOCKHOLDERS' EQUITY
For the years ended December 31, 2019 and 2018

	Meridian		**Origin**					
	Common Stock	**Amount**	**Common Stock**	**Amount**	**Common Stock**	**Additional Paid-In Capital**	**Accumulated Deficit**	**Stockholders' Equity**
Balance at December 31, 2017	**100**	**$ 2,117,266**	**1,000**	**$ 21,172,656**	**$ 23,289,922**	**$ 27,575,628**	**$ (43,750,019)**	**$ 7,115,531**
Stockholders' contributions	-	-	-	-	-	4,708,393	-	**4,708,393**
Net Loss	-	-	-	-	-	-	(7,666,285)	**(7,666,285)**
Balance at December 31, 2018 before adoption of ASC 606	**100**	**2,117,266**	**1,000**	**21,172,656**	**23,289,922**	**32,284,021**	**(51,416,304)**	**4,157,639**
					-	-	-	
Cumulative effect of adopting ASC 606	-	-	-	-	-	-	545,741	**545,741**
Balance at January 1, 2019 after adoption of ASC 606	**100**	**2,117,266**	**1,000**	**21,172,656**	**23,289,922**	**32,284,021**	**(50,870,563)**	**4,703,380**
Stockholders' contributions	-	-	-	-	-	4,430,000	-	**4,430,000**
Net Loss	-	-	-	-	-	-	(6,287,476)	**(6,287,476)**
Balance at December 31, 2019	**100**	**$ 2,117,266**	**1,000**	**$ 21,172,656**	**$ 23,289,922**	**$ 36,714,021**	**$ (57,158,039)**	**$ 2,845,904**

The accompanying notes are an integral part to these combined financial statements.

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2019 and 2018

	2019	2018
Cash flows from operating activities		
Net loss	$ (6,287,476)	$ (7,666,285)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	6,879,973	6,955,929
Deferred taxes	(127,739)	29,358
Bad debt expense	131,306	39,210
Amortization of deferred financing fees	247,987	247,987
Gain on disposal of property & equipment	19,879	143
Changes in operating assets and liabilities:		
Accounts receivable	(292,657)	2,183,272
Contract asset	(214,767)	-
Prepaid expenses	130,993	(46,662)
Other assets	20,639	308,645
Security deposits	(9,042)	-
Accounts payable	(1,560,974)	53,257
Accrued expenses	(389,280)	(1,228,112)
Other liabilities	(94,512)	430,913
Net cash (used in) provided by operating activities	**(1,545,670)**	**1,307,655**
Cash flows from investing activities		
Purchase of property and equipment	(295,473)	(205,995)
Capitalized software development costs	(1,072,509)	(1,795,844)
Net cash used in investing activities	**(1,367,982)**	**(2,001,839)**
Cash flows from financing activities		
Proceeds from line of credit	1,000,000	1,500,000
Repayments of long-term debt	(1,437,030)	(5,042,035)
Payments for capital leases	(30,000)	(54,924)
Stockholders' contributions	4,430,000	4,708,393
Net cash provided by financing activities	**3,962,970**	**1,111,434**
Net increase in cash and cash equivalents	**1,049,318**	**417,250**
Cash, beginning of year	2,467,797	2,050,547
Cash, end of year	**$ 3,517,115**	**$ 2,467,797**
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Interest	$ 2,290,631	$ 2,434,530
Taxes	$ 116,106	$ 84,670

The accompanying notes are an integral part to these combined financial statements.

NOTE 1 - INTRODUCTION

MTBC, Inc. ("MTBC") entered into a Stock Purchase Agreement ("SPA") with Meridian Billing Management Co., a Vermont corporation ("Meridian"), Origin Holdings, Inc., a Delaware corporation ("Origin"), and together with Meridian, collectively the ("Company") and GMM II Holdings, LLC, a Delaware limited liability company ("Seller"), pursuant to which MTBC purchased all of the issued and outstanding capital stock of the Company from the Seller.

The Company is in the business of providing medical billing, revenue cycle management, electronic medical records, medical coding and related services. This transaction closed on June 16, 2020, pursuant to the SPA, and subject to the conditions set forth therein. The total consideration paid at closing was $15 million in cash, 200,000 shares of MTBC's Series A preferred stock plus warrants to purchase MTBC's common stock. The cash consideration was used to repay the Company's indebtedness and transaction expenses.

The Company has historically operated as part of their parent company, GMM II Holdings, LLC and Gores Meridian Medical Holdings, LLC and not as a standalone company. None of the assets or liabilities of the parent companies have been assigned to the Company in the combined financial statements. The combined financial statements include the assets, liabilities, revenue and expenses that are specifically identifiable to the Company. Management believes the assumptions underlying the combined financial statements are reasonable.

The combined financial statements consist of the accounts of Meridian and Origin and Origin's consolidated subsidiaries, which include Origin Parent, LLC, Origin Healthcare Solutions, LLC, Precision B1 LLC, SSIMed, LLC, Medcon Acquisition, LLC, Health Care Management Group, LLC, PartnersINSCRIBE, LLC, and Premier Physician Management Services, LLC.

The combined financial statements present the historical financial position, results of operations and cash flows that correspond with the assets being acquired and liabilities being assumed as part of the SPA. The combined financial statements have been derived from the accounting records of the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination: The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of Meridian and Origin, including Origin's wholly-owned subsidiaries. All intercompany accounts and transactions of the Company have been eliminated in the combination.

These combined financial statements have been prepared solely to demonstrate the historical results of operations, financial position and cash flows related to Meridian and Origin, and those of its wholly owned subsidiaries, which are included in the SPA, for the indicated periods.

Revenue Recognition: During the year ended December 31, 2018, the Company recognized revenue when there is evidence of an arrangement, the service has been provided to the customer, the collection of the fees is reasonably assured, and the amount of fees to be paid by the customer are fixed or determinable. On January 1, 2019, the Company adopted ASC 606, *"Revenue from Contracts with Customers"* ("ASC 606"). As a result, financial information for reporting periods beginning on or after January 1, 2019, is presented in accordance with ASC 606. This adoption is discussed in Recent Accounting Pronouncements below.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Areas where significant estimates are used in the accompanying combined financial statements include the allowance for doubtful accounts, carrying value of goodwill, deferred tax assets and uncertain income tax positions. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents generally consist of cash or short-term securities with an initial maturity of three months or less.

Concentration of Credit Risk: The Company periodically maintains cash and cash equivalents in bank accounts in excess of the established limit insured by the Federal Deposit Insurance Corporation (FDIC). All cash and cash equivalents are maintained at major banks. It is the Company's policy to monitor the bank's financial condition on an ongoing basis. At December 31, 2019 and 2018, the Company's cash balance exceeded the FDIC limit by $3,387,096 and $2,456,203, respectively. The Company has not sustained any losses as a result of exceeding this limit.

For the year ended December 31, 2019, ten of the Company's customers accounted for approximately 64% of the Company's total revenues. Accounts receivable relating to these ten customers accounted for 54% of the Company's total gross accounts receivable at December 31, 2019. For the year ended December 31, 2018, ten of the Company's customers accounted for approximately 56% of the Company's total revenues. Accounts receivable relating to these ten customers accounted for 45% of the Company's total gross accounts receivable at December 31, 2018.

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. Management believes that the likelihood of incurring material losses because of concentration of credit risk is remote.

Accounts Receivable: The Company extends credit to its clients as part of its normal business operations. Credit is extended based on evaluation of the customer's financial condition and prior payment history with the Company and, typically, collateral is not required. Accounts receivable are typically due within 30 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. Accounts receivable outstanding longer than the contractual payment terms are considered past due. The Company reserves for 100% of any receivables over 120 days and determines the need for additional reserves based on historical collections and current economic conditions. The Company charges its allowance for doubtful accounts receivable when an account becomes uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

The allowance for doubtful accounts at December 31, 2019 and 2018 was $32,013 and $76,689, respectively. The Company generally does not charge interest on outstanding accounts. Accounts receivable includes unbilled amounts to customers of $694,862 and $879,582 as of December 31, 2019 and 2018, respectively.

Property and Equipment and Depreciation and Amortization: Property and equipment are stated at cost. Expenditures for additions and major improvements are capitalized, whereas the cost of maintenance and repairs are charged to expense. At the time, property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss on such disposition is reflected in income. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset and the remaining lease term.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill and Intangible Assets: The provisions of ASC 350, *Goodwill and Other Intangible Assets* ("ASC 350") have been applied. Goodwill is initially measured as the excess of the cost of an acquired business over the fair value of the identifiable net assets acquired.

In January 2017, the FASB issued Accounting Standard Update ("ASU") No. 2017-04 related to simplifying the test for goodwill impairment. To simplify the subsequent measurement of goodwill and to help financial statement preparers and accountants with an analysis that is often considered costly and complex, the FASB eliminated second step from the goodwill impairment test. The FASB also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. Entities still have the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The Company adopted the standard as of January 1, 2018.

As a result of the quantitative assessment (Step 1) performed as of December 31, 2019 and qualitative assessment (Step 0) performed in 2018, the Company determined that it was more-likely-than-not that the fair value of the reporting unit was greater than its carrying amount and impairment of the Company's goodwill was not necessary.

The Company follows ASU No. 2014-02 related to the amortization of goodwill. This ASU allows an entity with goodwill relating to each business combination or reorganization event resulting in fresh-start reporting (amortizable unit of goodwill) to amortize on a straight-line basis over 10 years, or less than 10 years if the entity demonstrates that another useful life is more appropriate. The goodwill resulted from previous acquisitions of the Company that occurred in 2013 and 2014.

The following is a summary of goodwill at December 31,

	2019	2018
Balance January 1	$ 30,665,377	$ 30,315,377
Additions	-	350,000
Accumulated amortization	(16,531,984)	(12,960,175)
Balance December 31	$ 14,133,393	$ 17,705,202

Amortization expense was $3,571,809 and $3,548,476 for the years ended December 31, 2019 and 2018, respectively.

Amortizable intangible assets are reviewed to determine if facts and circumstances suggest that the assets may be impaired or that the useful lives may need to be changed. The Company considers internal and external factors relating to each asset, including cash flow, contract changes, local market developments, healthcare trends, and regulatory information. If these factors and the projected discounted cash flows over the remaining useful life indicate that the asset will not be recoverable, the carrying value will be adjusted to the estimated fair value. The Company believes no impairment of amortizable intangible assets exists at December 31, 2019 and 2018 and for each of the years then ended, respectively.

Intangible Software: The Company capitalizes certain costs related to software obtained or developed for internal use in accordance with ASC 350, "*Intangibles – Goodwill and Other – Internal-Use Software,*" ("ASC 350"). Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable that the expenditures will result in additional functionality. Capitalized costs are recorded as part of intangible assets. Maintenance and training costs are expensed as incurred.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible software is presented net of accumulated amortization and amortized over its useful life using the straight-line method. Amortization of intangible software is included in amortization expense on the combined statements of loss for December 31, 2019 and 2018. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. Amortization expense related to the intangible software for the years ended December 31, 2019 and 2018 was $274,964 and $238,430, respectively.

Deferred Financing Costs: Deferred financing costs are netted against the related debt and amortized over its term using the straight-line method, which approximates the effective interest method. Deferred financing costs at December 31, 2019 and 2018 were $0 and $247,987, respectively. Amortization of deferred financing costs is included in interest expense on the combined statements of loss for December 31, 2019 and 2018. Amortization expense related to the deferred financing costs for both 2019 and 2018 was $247,987.

Long-Lived Assets: The Company periodically reviews the net realizable value of its long-lived assets, in accordance with ASC 360*Property, Plant and Equipment*, through an assessment of the estimated future cash flows related to such assets or group of assets. In the event that assets are found to be carried at amounts in excess of estimated undiscounted future cash flows, the assets will be adjusted for impairment to a level commensurate with a discounted cash flow analysis of the underlying assets. The Company believes no impairment of long-lived assets exists at December 31, 2019 and 2018 and for each of the years then ended.

Fair value: The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the relatively short-term maturities and are classified as short-term assets and liabilities in the accompanying combined balance sheets.

As of December 31, 2019 and 2018, the fair value of the debt on the accompanying combined balance sheets approximated its carrying value.

Deferred Rent Incentives: Rent incentives are deferred and recorded as adjustments to rent expense on a straight-line basis over the lives of the leases that gave rise to the incentives.

Income Taxes: The Company records income tax expense on the liability method. Current expense represents the estimated tax obligation per the income tax return, and deferred expense represents the change in the estimated future tax effects of temporary differences and carry-forwards. Deferred tax assets and liabilities are computed by applying enacted income tax rates to the expected reversals of temporary differences between financial reporting and income tax reporting, and by considering carry-forwards for operating losses and tax credits. A valuation allowance adjusts deferred tax assets to the net amount that is “more likely than not” to be realized.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in the states of Connecticut, Vermont, Illinois, Maryland, New Jersey, New York, Pennsylvania, Tennessee and Florida. The Company is no longer subject to examination by taxing authorities for years before 2015. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company did not have any amounts accrued for interest and penalties at December 31, 2019 and 2018.

Deferred revenue: Primarily consists of payments received for License and Distribution Agreements and Professional Services fees in advance of revenue recognition criteria being met. Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue and the remaining portion is recorded as noncurrent deferred revenue.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

Revenue from Contracts with Customers

ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) is effective for nonpublic companies for fiscal years beginning after December 15, 2018 and interim periods beginning after December 15, 2019. The standard permits either full retrospective adoption (applied to all fiscal years for financial statements presented) or modified retrospective adoption (applied to all uncompleted contracts as of the adoption date with note disclosure of the comparative effect on financial statements in prior periods). The Company has elected to adopt the standard as of January 1, 2019, using the modified retrospective method. Under this approach, no restatement of 2018 was required. Rather, the effect of the adoption of $545,741 was recorded as a cumulative adjustment to the opening balance of retained deficit at January 1, 2019. The primary impact of adopting ASC 606 was to accelerate the timing of revenue on certain medical billing services provided to customers. Beginning January 1, 2019, revenue is recognized as the performance obligations are satisfied over time on revenue cycle management contracts.

As part of the adoption of ASC 606, the Company performed, an assessment of the impact of the new revenue recognition standard has on the combined financial statements. The Company analyzed its revenue streams using the five-step model detailed in ASC 606-10 to determine the recognition methodology for each revenue stream. Based on that analysis, the Company determined that no change was necessary for its SaaS revenue streams. The Company also determined that professional services fees, which had been recognized ratably over the life of a customer contract under legacy GAAP, will be recognized at the point in time when the consideration is probable, which occurs when the installation is complete and the Subscription Services are up and running.

Also part of the adoption of ASC 606, the Company analyzed the costs incurred to obtain customer contracts. Under legacy GAAP, sales commissions were period expensed. Under ASC 606, sales commissions, which represent incremental costs of obtaining a contract, are capitalized and amortized over the related contract period including expected renewals. Because the portion of sales commission under ASC 606 would not be material and that the rest of the sales commissions can be considered an employee incentive, the Company believes the deferral of sales commissions is not required.

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31:

	2019	2018
Property and equipment	$ 3,700,476	$ 3,635,433
Capitalized software costs	4,824,624	4,774,624
Furniture and fixtures	1,027,656	1,029,278
Automobiles	22,631	22,631
Leasehold improvements	626,643	621,765
	10,202,030	10,083,731
Less accumulated depreciation and amortization	(9,298,429)	(8,995,335)
Property and equipment, net	$ 903,601	$ 1,088,396

Depreciation expense was $460,389 and $579,473 for the years ended December 31, 2019 and 2018, respectively.

NOTE 4 - LINE OF CREDIT

On December 31, 2014, the Company entered into a credit agreement ("Agreement") with Midcap Financial, LLC that included a revolving line of credit ("Revolver"). The Revolver provides for maximum borrowings up to $3,000,000 and bears interest at LIBOR (1.74% percent at December 31, 2019) plus an applicable margin of 7.5% per annum. In addition, the Revolver requires a monthly unused facility fee equal to the revolving loan commitment less the average daily balance of the sum of the revolving loan outstanding plus the swing line loan outstanding during the preceding month, multiplied by one-half of one percent (0.5%) per annum. The line of credit requires the Company to comply with restrictive covenants as defined in Note 5.

At December 31, 2019 and 2018, the Company had borrowings against the line of credit in the amount of $2,500,000 and $1,500,000, respectively.

NOTE 5 - LONG-TERM DEBT

On December 31, 2014, the Company entered into a credit agreement ("Agreement") with Midcap Financial, LLC that included a term loan of $35,000,000. The Agreement is collateralized by substantially all of the Company's assets. The term loan bears interest at LIBOR (1.58% at March 31, 2020) plus an applicable margin of 7.5% per annum payable monthly. Principal payments of $437,500 are payable quarterly.

Under the terms of the Agreement, the Company is subject to certain financial covenants concerning the maintenance of a minimum fixed coverage charge ratio, a maximum debt to EBITDA ratio, and limits on capital expenditures, as defined in the Agreement.

As of December 31, 2017, the Company was not in compliance with the required minimum fixed charge coverage ratio. As such, an equity cure in the amount of $1,550,000 was made on February 28, 2018 to bring the Company into compliance. The funds from the cure were used to prepay the outstanding principal balance of the term loan and quarterly debt payments were reduced to $343,019. The term loan was to mature on December 31, 2019.

On August 6, 2019, the Company amended the Agreement, extending the maturity to December 2021. Under the terms of the amendment, the Company is subject to certain financial covenants concerning the maintenance of a minimum fixed charge coverage ratio, a maximum debt to EBITDA ratio, and limits on capital expenditures, as defined in the agreement.

The stockholders, as part of the agreement, made additional equity contributions in the total amount of $3,500,000; of which $2,600,000 were paid in August and $900,000 in December 2019. Furthermore, all parties agreed to (a) reset certain of the financial covenant levels and certain definitions related to the calculation of financial covenants, (b) increase the amount of the revolving loan commitment to $3,000,000, (c) increase certain EBITDA add backs, (d) extend the delivery of solely the 2018 financial statements to August 31, 2019 and (e) add additional cash flow reporting requirements.

As of March 31, 2020, the Company was in compliance with the financial covenants provided by Amendment of the Agreement: Capital Expenditures, Debt to EBITDA and Fixed Charge Coverage ratios.

The term loan was classified as current at March 31, 2020, as it was paid in full on June 16, 2020, the day the SPA was executed. (See Note 14).

NOTE 5 - LONG-TERM DEBT (Continued)

Long-term debt as of December 31 is as follows:

		2019		2018
Term loan	$	20,581,158	$	21,705,248
GE note payable		-		64,953
		20,581,158		21,770,201
Less current portion (a)		(20,581,158)		(1,639,251)
Long-term debt	$	-	$	20,130,950

(a) Current portion excludes deferred financing fees for $247,987.

The term loan was classified as current at the end of 2019, as it was paid in full on June 16, 2020, the day the SPA was executed. (See Note 14).

NOTE 6 - INTANGIBLES

The Company's intangible assets are comprised of the following at December 31:

		2019		2018
Amortizing intangible assets:				
Customer lists	$	19,170,300	$	19,170,300
Software development		3,805,354		2,732,844
Trade names		921,000		921,000
Workforce		727,800		727,800
Accounting software		160,500		160,500
		24,784,954		23,712,444
Less accumulated amortization		(14,781,049)		(11,933,274)
Net intangible assets	$	10,003,904	$	11,779,170

Amortization expense was $2,847,775 and $2,827,981 for the years ended December 31, 2019 and 2018, respectively.

Definite-lived intangible assets are amortized over estimated useful lives of five to fifteen years. The Company anticipates the annual amortization of each of the next four years to be the following:

2020	$	3,285,883
2021		3,285,883
2022		3,151,577
2023		280,561
	$	10,003,904

NOTE 7 - CAPITAL LEASES

The Company leases various pieces of equipment under capital leases. The assets and liabilities under the leases were recorded at the present value of future minimum lease rental payments. The liabilities are payable in monthly installments from $514 to $2,748, with interest rates of 8.5% to 21.14%.

The cost and accumulated depreciation of leased assets which are included in property and equipment in the combined balance sheets, are as follows as of December 31:

	2019	2018
Cost	$ 150,000	$ 150,000
Less accumulated depreciation	(70,000)	(40,000)
	$ 80,000	$ 110,000

Future minimum payments on the capital leases are as follows:

2020	$ 30,000
2021	30,000
2022	20,000
	$ 80,000

NOTE 8 – REVENUE

Introduction

The Company accounts for revenue in accordance with ASC 606, which was adopted January 1, 2019 using the modified retrospective method. All revenue is recognized as our performance obligations are satisfied. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of account under ASC 606. Under the new standard, the Company recognizes revenue when the revenue cycle management services begin on the medical billing claims, which is generally upon receipt of the claim from the provider.

For revenue cycle management services, the Company estimates the value of the consideration it will earn over the remaining contractual period as our services are provided and recognizes the fees over the term; this estimation involves predicting the amounts our clients will ultimately collect associated with the services they provided. Certain significant estimates, such as payment-to-charge ratios, effective billing rates and the estimated contractual payment periods are required to measure revenue cycle management revenue under the new standard. The primary impact of adopting ASC 606 was to accelerate the timing of revenue on certain medical billing services provided to customers. Beginning January 1, 2019 revenue is recognized over time as performance obligations are satisfied over time on revenue cycle management contracts. For subscription services, revenue is recognized over time as the services are invoiced. Implementation and professional fees are recognized when the service has been performed and the performance obligation is complete. The timing of the revenue recognition of our other revenue streams were not materially impacted by the adoption of ASC 606.

Most of the Company's current contracts with customers contain a single performance obligation. For contracts where the Company provides multiple services, each service represents its own performance obligation. Selling prices are based on the contractual price for the service.

NOTE 8 – REVENUE (Continued)

The Company applies the portfolio approach as permitted by ASC 606 as a practical expedient to contracts with similar characteristics and we use estimates and assumptions when accounting for those portfolios. The contracts generally include standard commercial payment terms, and have no significant obligations for refunds, warranties or similar obligations and revenue does not include taxes collected from our customers.

Management has determined that the majority of fees associated with professional services do not have stand-alone value to the customer apart from the Company's recurring services. Accordingly, the Company records these one-time fees as deferred revenue.

Disaggregation of Revenue from Contracts with Customers

The Company derives revenue from three primary sources based on the services offered: Revenue Cycle Management, SaaS solutions, professional services and medical transcription services. The Company exited the medical transcription business in December 2019.

The following table represents a disaggregation of revenue for the year ended December 31, 2019:

Revenue cycle management	$	42,710,797
SaaS solutions and software maintenance		6,965,643
Professional services		730,496
Medical transcription services		425,390
Total	$	50,832,326

Revenue cycle management services:

Revenue cycle management services are the recurring process of submitting and following up on claims with health insurance companies in order for the healthcare providers to receive payment for the services they rendered. The Company typically invoices customers on a monthly basis based on the actual collections received by its customers and the agreed-upon rate in the sales contract. The services include use of practice management software and related tools (on a SaaS basis), electronic health records (on a SaaS basis), medical billing services and use of mobile health solutions. The Company considers the services to be one performance obligation since the promises are not distinct in the context of the contract. The performance obligation consists of a series of distinct services that are substantially the same and have the same periodic pattern of transfer to customers.

Payment terms are normally net 30 days. Although contracts typically have stated terms of one or more years, under ASC 606 the contracts are considered month-to-month and accordingly, there is no financing component.

Under the Company's revenue cycle management services solution, the Company derives revenue primarily from recurring business service fees, which include amounts charged for ongoing collection services billed to the customer as a percentage of practice collections on a monthly basis. Recurring business service fees may also include amounts charged to the customer for patient statements and for other services for which reimbursement is based on a fixed fee per patient visit and recognized as revenue as the related services are performed. For the majority of revenue cycle management contracts, the total transaction price is variable because the obligation is to process an unknown quantity of claims, as and when requested by customers over the contract period. When a contract includes variable consideration, the Company evaluates the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with variable consideration is subsequently resolved. Estimates to determine variable consideration such as payment to charge ratios, effective billing rates, and the estimated contractual payment periods are updated at each reporting date. Revenue is recognized over the performance period using the input method.

NOTE 8 – REVENUE (Continued)

The Company offers SaaS subscription service for healthcare practice management. The Company typically invoices customers on a monthly basis based on an agreed-upon rate in the sales contract. The Company considers the services to be one performance obligation since the promises are not distinct in the context of the contract. The performance obligation consists of a series of distinct services that are substantially the same and have the same periodic pattern of transfer to customers.

Payment terms are normally net 30 days. Although the contracts typically have stated terms of one or more years, under ASC 606 contracts are considered month-to-month and accordingly, there is no financing component.

Under the Company's SaaS services, the Company derives revenue primarily from recurring business subscription fees. Recurring business subscription fees may also include amounts charged to the customer for patient statements and for other services for which reimbursement is based on a fixed fee per patient visit and recognized as revenue as the related services are performed.

Information about contract balances:

As of December 31, 2019, the estimated revenue expected to be recognized in the future related to the remaining revenue cycle management performance obligations outstanding was approximately $761,000. The Company expects to recognize substantially all of the revenue for the remaining performance obligations over the next three months.

Amounts that the Company is entitled to collect under the applicable contract are recorded as accounts receivable. Invoicing is performed at the end of each month when the services have been provided. The contract asset includes the right to payment for services already transferred to a customer when the right to payment is conditional on something other than the passage of time. For example, contracts for revenue cycle management services where the Company recognizes revenue over time but does not have a contractual right to payment until the customer receives payment of their claim from the insurance provider.

Changes in the contract asset are recorded as adjustments to net revenue. The changes primarily result from providing services to revenue cycle management customers that result in additional consideration and are offset by the right to payment for services becoming unconditional and changes in the revenue accrued for the group purchasing services. The opening and closing balances of the Company's accounts receivable, contract asset and deferred revenue are as follows:

	Accounts receivable, net	Contract asset	Deferred revenue (current)
Balance as of January 1, 2019	$ 5,942,738	$ 545,741	$ 1,213,749
Increase	161,351	214,767	148,811
Balance as of December 31, 2019	$ 6,104,089	$ 760,508	$ 1,362,560

NOTE 9 - 401(k) PROFIT SHARING PLAN

The Company maintains a 401(k) profit sharing plan that covers all eligible full-time employees. The plan's salary deferral provision allows the Company to make a matching contribution to the plan. The Company made contributions including estimated profit sharing payments of $245,137 and $274,128 for the years ended December 31, 2019 and 2018, respectively.

NOTE 10 - RELATED-PARTY TRANSACTIONS

On December 9, 2014, the Company amended its existing monitoring service agreement and a professional services agreement with different former affiliates, related through common ownership. The monitoring services agreement provides for an annual fee of $1,000,000 plus certain out-of-pocket expenses. The professional services agreement provides for certain administrative and consulting services rendered by the affiliates at an agreed upon hourly rate.

For the year ended December 31, 2019, total fees and expenses incurred from both agreements amounted to $0; the former parent did not charge Meridian for any monitoring fee. The total fees and expenses incurred for the year ended December 31, 2018 were $1,592,781; however, $1,125,970 were forgiven. The balance due to the former parent companies of the Company was $13,028 and $0 at December 31, 2019 and 2018, respectively. The Company has entered into non-compete agreements with key members of management, which prohibits them from engaging in the provision of billing services and/or practice management software services serving medical groups and practices in the United States of America for a period of time after termination.

NOTE 11 - INCOME TAXES

The following is the provision (benefit) for income taxes for the years ended December 31:

	2019	2018
Current		
Federal	$ 83,867	$ 187,806
State	202,949	(20,852)
Total current income tax provision	$ 286,816	$ 166,954
Deferred		
Federal	$ (60,040)	$ (38,127)
State	(67,699)	67,484
Total deferred income tax (benefit) provision	(127,739)	29,357
Income tax expense	$ 159,077	$ 196,311

The difference between the actual tax provision and the amounts obtained by applying the statutory U.S. federal and state income tax rates to pre-tax results is primarily as a result of the Company's valuation allowance related to the Company's deferred tax assets, non-deductible transaction costs, state income taxes, and statutory limitations on certain deductible costs.

NOTE 11 - INCOME TAXES (Continued)

The tax effects of temporary differences that give rise to deferred tax assets and liabilities at December 31 are as follows:

	2019	2018
Non-current deferred tax assets (liabilities)		
Bad debts	$ 8,953	$ 21,115
Accrued bonus	81,722	-
Accrued rent	450,361	598,087
Accrued professional fees	26,847	-
Other accrued expenses	16,124	294,680
Deferred income	308,614	204,724
Prepaid expenses	(148,910)	(160,194)
Fixed assets	(5,536)	30,870
Intangibles	136,708	500,500
Stock options	355,834	383,476
Contributions carryforward	2,069	2,230
163(j) business interest expense limitation	904,566	658,598
State taxes	(70,380)	(119,334)
Federal & State NOLs	20,921,446	18,073,396
Non-current deferred tax assets	22,988,418	20,488,148
Valuation allowance	(22,961,218)	(20,588,687)
Net non-current deferred tax assets (liabilities)	$ 27,200	$ (100,539)

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The Company estimates federal net operating loss carry-forwards of approximately $78 million as of December 31, 2019, of which $64.4 million will expire through 2037 and $13.6 million will not expire. With the Tax Cuts and Jobs Act of 2017, the NOL 20-year limitation for carryforwards was changed to an indefinite period for tax years beginning after December 31, 2017. As of December 31, 2019 and 2018, a valuation allowance of $22,961,218 and $20,588,687, respectively, has been established to offset the net deferred tax assets as realization of such assets is uncertain.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company has leases for equipment and office space for its various locations, which expire through 2023. Five leases are non-cancelable operating lease agreements, one of which expired in 2018; three will expire in 2022 and one in 2023. Rent expense was $2,383,954 and $2,450,730 for the years ended December 31, 2019 and 2018, respectively.

The Company records rent expense on a straight-line basis over the lease term in accordance with ASC 840,*Leases*. As such, any deferred rent liability or asset pertaining to future annual rent increases or decreases is recorded as an accrued liability or prepaid expense.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

Commitments

Future annual minimum lease payments required under these leases are as follows:

2020	$	2,201,819
2021		2,163,951
2022		1,821,116
2023		998,820
	$	7,185,706

Contingencies

The Company is a defendant in two lawsuits filed by two former clients for alleged failure to properly bill and collect. The Company is also defendant in one lawsuit and one US Equal Employment Opportunity Commission action, each with former employees. Outside counsel is not able to offer a position on the outcome at this time. The Company believes the suits are without merit and is vigorously defending its positions.

NOTE 13 - RESTRUCTURING EXPENSES

Restructuring expenses relate to the Company's reorganization of its operations with the objective to improve the overall efficiency and long-term profit. These charges are expensed in the period in which they are incurred.

The restructuring expenses incurred by the Company include:

- Facility abandonment related expenses for two leased facilities, one of which is no longer used by the Company and the other that will be abandoned later in 2020. The Company is marketing both facilities for sublease and recorded the difference between the contractual rent obligation and the estimate sublease payments as a restructuring charge.
- Redundancies and overtime to manage vendor and customer transitions,
- Legal expenses related to supplier and customers settlements, and
- Outsourced project management expenses

NOTE 14 - SUBSEQUENT EVENT

Management has performed an analysis of the activities and transactions subsequent to December 31, 2019 and through August 5, 2020 to determine the need for any adjustments to and/or disclosures within the financial statements for the year ended December 31, 2019. On June 16, 2020, MTBC entered into a SPA with the Company and GMM II Holdings, LLC, pursuant to which MTBC purchased all of the issued and outstanding capital stock of the Company from the former parent. No other events were deemed by management to require disclosure.

Exhibit 99.2

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED FINANCIAL STATEMENTS

As of March 31, 2020 and for the three months ended March 31, 2020 and 2019

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.

CONTENTS

COMBINED FINANCIAL STATEMENTS

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED BALANCE SHEET
As of March 31, 2020

		31-Mar 2020
ASSETS		
Current assets		
Cash and cash equivalents	$	3,513,889
Accounts receivable, net		5,058,481
Contract asset		855,988
Income taxes receivable		4,249
Prepaid expense		711,212
Total current assets		**10,143,819**
Property and equipment, net		**775,354**
Operating lease right-of-use asset		**2,725,979**
Other assets		
Goodwill, net		13,240,441
Intangible assets, net		9,566,401
Security deposits and other assets		159,969
Deferred income taxes		27,200
Total other assets		**22,994,011**
Total assets	**$**	**36,639,163**
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable	$	2,940,189
Accrued expenses		3,499,830
Line of credit		3,000,000
Current portion of long-term debt		20,581,158
Operating lease liability (current portion)		1,906,016
Deferred revenue		1,112,678
Other current liabilities		52,717
Income tax payable		145,780
Total current liabilities		**33,238,368**
Long-term liabilities		
Operating lease liability		4,242,166
Total long-term liabilities		**4,242,166**
Total liabilities		**37,480,534**
Stockholders' deficit		
Common stock, 1,100 shares		23,289,922
Additional paid-in capital		36,714,021
Accumulated deficit		(60,845,314)
Total stockholders' deficit		**(841,371)**
Total liabilities and stockholders' deficit	**$**	**36,639,163**

The accompanying notes are an integral part to these combined financial statements.

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED STATEMENTS OF LOSS
For the three months ended March 31, 2020 and 2019

	For three months ended	
	2020	**2019**
Revenues	$ 10,931,160	$ 12,595,694
Cost of sales	8,082,012	8,523,091
Gross profit	**2,849,148**	**4,072,603**
Operating expenses	1,758,479	2,211,127
Income from operations	**1,090,669**	**1,861,476**
Other expense		
Depreciation	108,390	120,242
Amortization	1,562,056	1,662,212
Interest expense	530,758	582,882
Management fee	250,025	187,500
Restructuring expense	316,530	608,307
Other expense, net	26,425	12,500
Total other expense	**2,794,184**	**3,173,643**
Loss before income taxes	**(1,703,515)**	**(1,312,167)**
Income taxes	22,163	44,484
Net loss	**$ (1,725,678)**	**$ (1,356,651)**

The accompanying notes are an integral part to these combined financial statements.

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
For the three months ended March 31, 2020

	Meridian		Origin			Additional		Stockholders'
	Common Stock	Amount	Common Stock	Amount	Common Stock	Paid-In Capital	Accumulated Deficit	Equity (Deficit)
Balance at January 1, 2020 before adoption of ASC 842	**100**	**$ 2,117,266**	**1,000**	**$ 21,172,656**	**$ 23,289,922**	**$ 36,714,021**	**$ (57,158,039)**	**$ 2,845,904**
Cummulative effect of adopting ASC 842	-	-	-	-	-	-	(1,961,597)	(1,961,597)
Adjusted balance at January 1, 2020 after adoption of ASC 842	**100**	**2,117,266**	**1,000**	**21,172,656**	**23,289,922**	**36,714,021**	**(59,119,636)**	**884,307**
Net Loss	-	-	-	-	-	-	(1,725,678)	(1,725,678)
Balance at March 31, 2020	**100**	**$ 2,117,266**	**1,000**	**$ 21,172,656**	**$ 23,289,922**	**$ 36,714,021**	**$ (60,845,314)**	**$ (841,371)**

The accompanying notes are an integral part to these combined financial statements.

MERIDIAN BILLING MANAGEMENT COMPANY AND ORIGIN HOLDINGS, INC.
COMBINED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2020 and 2019

	For the three months ended	
	2020	**2019**
Cash flows from operating activities		
Net loss	$ (1,725,678)	$ (1,356,651)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,670,446	1,782,454
Lease amortization	220,455	-
Lease liability expense	102,673	-
Bad debt expense	20,389	13,187
Amortization of deferred financing fees	-	53,549
Changes in operating assets and liabilities:		
Accounts receivable	947,276	(624,764)
Contract asset	(95,480)	(36,785)
Prepaid expenses	(145,858)	20,269
Other assets	2,325	27,213
Deposits	539	-
Accounts payable	171,880	(502,570)
Accrued expenses	(570,048)	(271,513)
Other liabilities	(810,401)	(278,839)
Net cash used in operating activities	**(211,482)**	**(1,174,450)**
Cash flows from investing activities		
Purchase of property and equipment	(60,143)	(21,865)
Capitalized software development costs	(231,601)	(113,181)
Net cash used in investing activities	**(291,744)**	**(135,046)**
Cash flows from financing activities		
Proceeds from line of credit	500,000	-
Repayments of long-term debt	-	(403,623)
Payments for capital lease	-	(7,500)
Net cash provided by (used by) financing activities	**500,000**	**(411,123)**
Net decrease in cash and cash equivalents	**(3,226)**	**(1,720,619)**
Cash, beginning of period	3,517,115	2,467,797
Cash, end of period	**$ 3,513,889**	**$ 747,178**
Supplemental disclosures of cash flow information		
Cash paid during the period for:		
Interest	$ 573,538	$ 349,933
Taxes	$ 11,000	$ -

The accompanying notes are an integral part to these combined financial statements.

NOTE 1 - INTRODUCTION

MTBC, Inc. ("MTBC") entered into a Stock Purchase Agreement ("SPA") with Meridian Billing Management Co., a Vermont corporation ("Meridian"), Origin Holdings, Inc., a Delaware corporation ("Origin"), and together with Meridian, collectively the ("Company") and GMM II Holdings, LLC, a Delaware limited liability company ("Seller"), pursuant to which MTBC purchased all of the issued and outstanding capital stock of the Company from the Seller.

The Company is in the business of providing medical billing, revenue cycle management, electronic medical records, medical coding and related services. This transaction closed on June 16, 2020, pursuant to the SPA, and subject to the conditions set forth therein. The total consideration paid at closing was $15 million in cash, 200,000 shares of MTBC's Series A preferred stock plus warrants to purchase MTBC's common stock. The cash consideration was used to repay the Company's indebtedness and transaction expenses.

The Company has historically operated as part of their parent company, GMM II Holdings, LLC and Gores Meridian Medical Holdings, LLC and not as a standalone company. None of the assets or liabilities of the parent companies have been assigned to the Company in the combined financial statements. The combined financial statements include the assets, liabilities, revenue and expenses that are specifically identifiable to the Company. Management believes the assumptions underlying the combined financial statements are reasonable

The combined financial statements consist of the accounts of Meridian and Origin and Origin's consolidated subsidiaries, which include Origin Parent, LLC, Origin Healthcare Solutions, LLC, Precision B1 LLC, SSIMed, LLC, Medcon Acquisition, LLC, Health Care Management Group, LLC, PartnersINSCRIBE, LLC, and Premier Physician Management Services, LLC.

The combined financial statements present the historical financial position, results of operations and cash flows that correspond with the assets being acquired and liabilities being assumed as part of the SPA. The combined financial statements have been derived from the accounting records of the Company.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Combination: The accompanying combined financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and include the accounts of Meridian and Origin, including Origin's wholly-owned subsidiaries. All intercompany accounts and transactions of the Company have been eliminated in the combination.

These combined financial statements have been prepared solely to demonstrate the historical results of operations, financial position and cash flows related to Meridian and Origin, and those of its wholly owned subsidiaries, which are included in the SPA, for the indicated periods.

Revenue Recognition: On January 1, 2019, the Company adopted ASC 606, *"Revenue from Contracts with Customers"* ("ASC 606"). As a result, financial information for reporting periods beginning on or after January 1, 2019, is presented in accordance with ASC 606. This adoption is discussed in Recent Accounting Pronouncements below.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Areas where significant estimates are used in the accompanying combined financial statements include the allowance for doubtful accounts, carrying value of goodwill, deferred tax assets and uncertain income tax positions. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents generally consist of cash or short-term securities with an initial maturity of three months or less.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Concentration of Credit Risk: The Company periodically maintains cash and cash equivalents in bank accounts in excess of the established limit insured by the Federal Deposit Insurance Corporation (FDIC). All cash and cash equivalents are maintained at major banks. It is the Company's policy to monitor the bank's financial condition on an ongoing basis. At March 31, 2020, the Company's cash balance exceeded the FDIC limit by $3,688,167. The Company has not sustained any losses as a result of exceeding this limit.

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail completely to perform as contracted. Management believes that the likelihood of incurring material losses because of concentration of credit risk is remote.

Accounts Receivable: The Company extends credit to its clients as part of its normal business operations. Credit is extended based on evaluation of the customer's financial condition and prior payment history with the Company and, typically, collateral is not required. Accounts receivable are typically due within 30 days and are stated at amounts due from customers, net of an allowance for doubtful accounts. Accounts receivable outstanding longer than the contractual payment terms are considered past due. The Company reserves for 100% of any receivables over 120 days and determines the need for additional reserves based on historical collections and current economic conditions. The Company charges its allowance for doubtful accounts receivable when an account becomes uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

The allowance for doubtful accounts at March 31, 2020 was $52,400. The Company generally does not charge interest on outstanding accounts. Accounts receivable includes unbilled amounts to customers of $424,482 as of March 31, 2020.

Property and Equipment and Depreciation and Amortization: Property and equipment are stated at cost. Expenditures for additions and major improvements are capitalized, whereas the cost of maintenance and repairs are charged to expense. At the time, property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss on such disposition is reflected in income. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the lesser of the estimated useful life of the asset and the remaining lease term.

Goodwill and Intangible Assets: The provisions of ASC 350, *Goodwill and Other Intangible Assets* ("ASC 350") have been applied. Goodwill is initially measured as the excess of the cost of an acquired business over the fair value of the identifiable net assets acquired.

In January 2017, the FASB issued Accounting Standard Update ("ASU") No. 2017-04 related to simplifying the test for goodwill impairment. To simplify the subsequent measurement of goodwill and to help financial statement preparers and accountants with an analysis that is often considered costly and complex, the FASB eliminated second step from the goodwill impairment test. The FASB also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment. Entities still have the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The Company adopted the standard as of January 1, 2018.

The Company believes no impairment of goodwill exists at March 31, 2020.

The Company follows ASU No. 2014-02 related to the amortization of goodwill. This ASU allows an entity with goodwill relating to each business combination or reorganization event resulting in fresh-start reporting (amortizable unit of goodwill) to amortize on a straight-line basis over 10 years, or less than 10 years if the entity demonstrates that another useful life is more appropriate. The goodwill resulted from previous acquisitions of the Company that occurred in 2013 and 2014.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following is a summary of goodwill as at March 31, 2020:

		Three Months Ended 2020
Balance, January 1, 2020	$	30,665,376
Accumulated amortization		(17,424,936)
Balance, March 31, 2020	$	13,240,441

Amortization expense was $892,952 and $892,952 for the three months ended March 31, 2020 and 2019, respectively.

Amortizable intangible assets are reviewed to determine if facts and circumstances suggest that the assets may be impaired or that the useful lives may need to be changed. The Company considers internal and external factors relating to each asset, including cash flow, contract changes, local market developments, healthcare trends, and regulatory information. If these factors and the projected discounted cash flows over the remaining useful life indicate that the asset will not be recoverable, the carrying value will be adjusted to the estimated fair value. The Company believes no impairment of amortizable intangible assets exists at March 31, 2020 and 2019 and for the three months then ended, respectively.

Intangible Software: The Company capitalizes certain costs related to software obtained or developed for internal use in accordance with ASC 350, "*Intangibles – Goodwill and Other – Internal-Use Software,*" ("ASC 350"). Costs incurred in the preliminary stages of development are expensed as incurred. Once an application has reached the development stage, internal and external costs, if direct, are capitalized until the software is substantially complete and ready for its intended use. Capitalization ceases upon completion of all substantial testing. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable that the expenditures will result in additional functionality. Capitalized costs are recorded as part of intangible assets. Maintenance and training costs are expensed as incurred.

Intangible software is presented net of accumulated amortization and amortized over its useful life using the straight-line method. Amortization of intangible software is included in amortization expense on the combined statements of loss for March 31, 2020. Management evaluates the useful lives of these assets on an annual basis and tests for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. Amortization expense related to the intangible software were $69,104 and $61,213 for the three months ended March 31, 2020 and 2019, respectively.

Deferred Financing Costs: Deferred financing costs are netted against the related debt and amortized over its term using the straight-line method, which approximates the effective interest method. Deferred financing costs were $0 and $53,549 for the three months ended March 31, 2020 and 2019, respectively.

Long-Lived Assets: The Company periodically reviews the net realizable value of its long-lived assets, in accordance with ASC 360*Property, Plant and Equipment*, through an assessment of the estimated future cash flows related to such assets or group of assets. In the event that assets are found to be carried at amounts in excess of estimated undiscounted future cash flows, the assets will be adjusted for impairment to a level commensurate with a discounted cash flow analysis of the underlying assets. The Company believes no impairment of long-lived assets exists at March 31, 2020.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value: The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value due to the relatively short-term maturities and are classified as short-term assets and liabilities in the accompanying combined balance sheets.

As of March 31, 2020, the fair value of the debt on the accompanying combined balance sheet approximated its carrying value.

Income Taxes: The Company records income tax expense on the liability method. Current expense represents the estimated tax obligation per the income tax return, and deferred expense represents the change in the estimated future tax effects of temporary differences and carry-forwards. Deferred tax assets and liabilities are computed by applying enacted income tax rates to the expected reversals of temporary differences between financial reporting and income tax reporting, and by considering carry-forwards for operating losses and tax credits. A valuation allowance adjusts deferred tax assets to the net amount that is "more likely than not" to be realized.

The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax in the states of Connecticut, Vermont, Illinois, Maryland, New Jersey, New York, Pennsylvania, Tennessee and Florida. The Company is no longer subject to examination by taxing authorities for years before 2015. The Company does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense. The Company did not have any amounts accrued for interest and penalties at March 31, 2020.

Deferred revenue: Primarily consists of payments received for License and Distribution Agreements and Professional Services fees in advance of revenue recognition criteria being met. Deferred revenue that will be recognized during the succeeding 12-month period is recorded as current deferred revenue and the remaining portion is recorded as noncurrent deferred revenue.

Recent Accounting Pronouncements

Revenue from Contracts with Customers

ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) is effective for nonpublic companies for fiscal years beginning after December 15, 2018 and interim periods beginning after December 15, 2019. The standard permits either full retrospective adoption (applied to all fiscal years for financial statements presented) or modified retrospective adoption (applied to all uncompleted contracts as of the adoption date with note disclosure of the comparative effect on financial statements in prior periods). The Company has elected to adopt the standard as of January 1, 2019, using the modified retrospective method. Under this approach, no restatement of 2018 was required. Rather, the effect of the adoption of $545,741 was recorded as a cumulative adjustment to the opening balance of retained deficit at January 1, 2019. The primary impact of adopting ASC 606 was to accelerate the timing of revenue on certain medical billing services provided to customers. Beginning January 1, 2019, revenue is recognized as the performance obligations are satisfied over time on revenue cycle management contracts.

As part of the adoption of ASC 606, the Company performed, an assessment of the impact of the new revenue recognition standard has on the combined financial statements. The Company analyzed its revenue streams using the five-step model detailed in ASC 606-10 to determine the recognition methodology for each revenue stream. Based on that analysis, the Company determined that no change was necessary for its SaaS revenue streams. The Company also determined that professional services fees, which had been recognized ratably over the life of a customer contract under legacy GAAP, will be recognized at the point in time when the consideration is probable, which occurs when the installation is complete and the subscription services are up and running.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Also part of the adoption of ASC 606, the Company analyzed the costs incurred to obtain customer contracts. Under legacy GAAP, sales commissions were period expensed. Under ASC 606, sales commissions, which represent incremental costs of obtaining a contract, are capitalized and amortized over the related contract period including expected renewals. Because the portion of sales commission under ASC 606 would not be material and that the rest of the sales commissions can be considered an employee incentive, the Company believes the deferral of sales commissions is not required.

Leases

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The new standard requires organizations that have leased assets, referred to as "lessees," to recognize on the balance sheet the assets and liabilities that represent the rights and obligations created by those leases, respectively. Under the new guidance, a lessee is required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with current GAAP, the recognition, measurement and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP which requires only capital leases to be recognized on the balance sheet, the new ASU requires both types of leases to be recognized on the balance sheet. The FASB has subsequently issued further ASU's related to the standard providing additional practical expedients and an optional transition method allowing entities to not recast comparative periods. The amendments in ASU No. 2016-02 are now effective.

The Company adopted the standard on January 1, 2020 using the optional transition adjustment method. As part of the adoption of ASC 842, the Company performed an assessment of the impact of the new lease recognition standard has on the financial statements. All of the Company's leases, which consist of facility and equipment leases, have been classified as operating leases. The Company does not have any financing leases. The Company adopted the requirements of the new standard without restating the prior periods. There was no impact to the accumulated deficit as of the date of adoption. For leases in place at the transition date, the Company adopted the package of practical expedients that allows the Company to not reassess: (1) whether any expired or existing contracts are or contain leases, (2) lease classification for any expired or existing leases and (3) initial direct costs for any expired or existing leases.

The Company has also adopted the practical expedients that allow the Company to treat the lease and non-lease components of the leases as a single component for facility leases. The Company elected the short-term lease recognition exemption for all leases that qualify. As such, for those leases that qualify, the Company did not recognize a right-of-use ("ROU") asset or lease liabilities as part of the transition adjustment. As of January 1, 2020, the impact on the assets was approximately $2.9 million and the impact on the liabilities was approximately $6.6 million. The adoption of ASC 842 resulted in an adjustment to accumulated deficit of approximately $2.0 million as of January 1, 2020.

NOTE 3 - PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as at March 31, 2020:

Property and equipment	$	3,675,253
Capitalized software costs		4,824,624
Furniture and fixtures		1,027,656
Automobiles		22,631
Leasehold improvements		632,009
		10,182,173
Less accumulated depreciation and amortization		(9,406,819)
Property and equipment, net	$	775,354

Depreciation expense were $108,390 and $120,242 for the three months ended March 31, 2020 and 2019, respectively.

NOTE 4 - LINE OF CREDIT

On December 31, 2014, the Company entered into a credit agreement (“Agreement”) with Midcap Financial, LLC that included a revolving line of credit (“Revolver”). The Revolver provides for maximum borrowings up to $3,000,000 and bears interest at LIBOR (1.58% percent at March 31, 2020) plus an applicable margin of 7.5% per annum. In addition, the Revolver requires a monthly unused facility fee equal to the revolving loan commitment less the average daily balance of the sum of the revolving loan outstanding plus the swing line loan outstanding during the preceding month, multiplied by one-half of one percent (0.5%) per annum. The line of credit requires the Company to comply with restrictive covenants as defined in Note 5.

At March 31, 2020, the Company had borrowings against the line of credit in the amount of $3,000,000.

NOTE 5 - LONG-TERM DEBT

On December 31, 2014, the Company entered into a credit agreement (“Agreement”) with Midcap Financial, LLC that included a term loan of $35,000,000. The Agreement is collateralized by substantially all of the Company’s assets. The term loan bears interest at LIBOR (1.58% at March 31, 2020) plus an applicable margin of 7.5% per annum payable monthly. Principal payments of $437,500 are payable quarterly.

Under the terms of the Agreement, the Company is subject to certain financial covenants concerning the maintenance of a minimum fixed coverage charge ratio, a maximum debt to EBITDA ratio, and limits on capital expenditures, as defined in the Agreement.

As of December 31, 2017, the Company was not in compliance with the required minimum fixed charge coverage ratio. As such, an equity cure in the amount of $1,550,000 was made on February 28, 2018 to bring the Company into compliance. The funds from the cure were used to prepay the outstanding principal balance of the term loan and quarterly debt payments were reduced to $343,019. The term loan was to mature on December 31, 2019.

On August 6, 2019, the Company amended the Agreement, extending the maturity to December 2021. Under the terms of the amendment, the Company is subject to certain financial covenants concerning the maintenance of a minimum fixed charge coverage ratio, a maximum debt to EBITDA ratio, and limits on capital expenditures, as defined in the agreement.

The stockholders, as part of the agreement, made additional equity contributions in the total amount of $3,500,000; of which $2,600,000 were paid in August and $900,000 in December 2019. Furthermore, all parties agreed to (a) reset certain of the financial covenant levels and certain definitions related to the calculation of financial covenants, (b) increase the amount of the revolving loan commitment to $3,000,000, (c) increase certain EBITDA add backs, (d) extend the delivery of solely the 2018 financial statements to August 31, 2019 and (e) add additional cash flow reporting requirements.

As of March 31, 2020, the Company was in compliance with the financial covenants provided by Amendment of the Agreement: Capital Expenditures, Debt to EBITDA and Fixed Charge Coverage ratios.

The term loan was classified as current at March 31, 2020, as it was paid in full on June 16, 2020, the day the SPA was executed. (See Note 14).

NOTE 6 - INTANGIBLES

The Company's intangible assets as of March 31, 2020 are comprised of the following:

Amortizing intangible assets:		
Customer lists	$	19,170,300
Software development		4,036,954
Trade names		921,000
Workforce		727,800
Accounting software		160,500
		25,016,554
Less accumulated amortization		(15,450,153)
Net intangible assets	$	9,566,401

Amortization expense were $669,104 and $416,717 for the three months ended March 31, 2020 and 2019, respectively.

Definite-lived intangible assets are amortized over estimated useful lives of five to fifteen years, while software Development intangibles assets are amortized over a two to three year period. The Company anticipates the annual amortization of each of the next four years to be the following:

2020 (9 months)	$	2,569,131
2021		3,425,508
2022		3,291,202
2023		280,560
	$	9,566,401

NOTE 7 - OPERATING LEASES

The Company leases office space and equipment. These leases require the Company to pay operating costs, including property taxes, normal maintenance and insurance.

Effective January 1, 2020, the Company determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets, current operating lease liability and noncurrent operating lease liability in the combined balance sheet as of March 31, 2020. The Company does not have any finance leases.

ROU assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term.

The Company uses its estimated incremental borrowing rates, which are derived from information available at the lease commencement date, in determining the present value of lease payments. For leases in existence at the adoption of ASC 842, the Company used the incremental borrowing rate as of January 1, 2020. The Company gave consideration to bank financing arrangements, geographical location and collateralization of assets when calculating the incremental borrowing rates.

NOTE 7 - OPERATING LEASES (Continued)

The lease terms include options to extend the lease when it is reasonably certain that the Company will exercise that option. Leases with a term of less than 12 months are not recorded in the balance sheet. The lease agreements do not contain any residual value guarantees. For the Company's real estate lease, it accounts for the lease and non-lease components as a single lease component. Some leases include escalation clauses and termination options that are factored in the determination of the lease payments when appropriate.

Lease expense is included in operating expenses in the statements of loss. As of March 31, 2020, the Company had 9 leases, with remaining terms ranging from more than 1 year to 3 years. The lease terms are determined taking into account lease renewal options, and the Company's anticipated operating plans.

The components of lease expense for the three months ended March 31, 2020 were as follows:

Operating lease cost	$	323,128
Short-term lease cost		8,539
Total- net lease cost	$	331,667

Short-term lease cost represents leases that were not capitalized as the lease term as of January 1, 2020 was less than 12 months. Variable lease costs include utilities, real estate taxes and common area maintenance costs.

Supplemental balance sheet information related to leases as of March 31, 2020 was as follows:

Operating leases:		
Operating lease ROU asset	$	2,725,979
Current operating lease liabilities	$	1,906,016
Non-current operating lease liabilities		4,242,166
Total operating lease liabilities	$	6,148,182
Operating leases:		
ROU assets	$	2,946,434
Asset lease expense		(220,455)
Net ROU assets at March 31, 2020	$	2,725,979
Weighted average remaining lease term (in years):		
Operating leases		2.19
Weighted average discount rate:		
Operating leases		6.64%

NOTE 7 - OPERATING LEASES (Continued)

Maturities of lease liabilities as of March 31, 2020 was as follows:

Operating leases		
2020 (nine months)	$	1,683,017
2021		2,224,634
2022		1,884,458
2023		1,009,858
Total lease payments		6,801,967
Less: imputed interest		(653,785)
Total lease obligations		6,148,182
Less: current obligations		1,906,016
Long-term obligations	$	4,242,166

Supplemental cash flow and other information related to leases for the three months ended March 31, 2020 was as follows:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$	560,451
ROU assets obtained in exchange for lease liabilities:		
Operating leases	$	-

As of March 31, 2020, the Company had two additional operating lease commitments with a five-year term that have not yet commenced, aggregating approximately $47,600.

NOTE 8 – REVENUE

Introduction

The Company accounts for revenue in accordance with ASC 606, which was adopted January 1, 2019 using the modified retrospective method. All revenue is recognized as our performance obligations are satisfied. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, and is the unit of account under ASC 606. Under the new standard, the Company recognizes revenue when the revenue cycle management services begin on the medical billing claims, which is generally upon receipt of the claim from the provider.

For revenue cycle management services, the Company estimates the value of the consideration it will earn over the remaining contractual period as our services are provided and recognizes the fees over the term; this estimation involves predicting the amounts our clients will ultimately collect associated with the services they provided. Certain significant estimates, such as payment-to-charge ratios, effective billing rates and the estimated contractual payment periods are required to measure revenue cycle management revenue under the new standard. The primary impact of adopting ASC 606 was to accelerate the timing of revenue on certain medical billing services provided to customers. Beginning January 1, 2019 revenue is recognized over time as performance obligations are satisfied over time on revenue cycle management contracts. For subscription services, revenue is recognized over time as the services are invoiced. Implementation and professional fees are recognized when the service has been performed and the performance obligation is complete. The timing of the revenue recognition of our other revenue streams were not materially impacted by the adoption of ASC 606.

NOTE 8 – REVENUE (Continued)

Most of the Company's current contracts with customers contain a single performance obligation. For contracts where the Company provides multiple services, each service represents its own performance obligation. Selling prices are based on the contractual price for the service.

The Company applies the portfolio approach as permitted by ASC 606 as a practical expedient to contracts with similar characteristics and we use estimates and assumptions when accounting for those portfolios. The contracts generally include standard commercial payment terms, and have no significant obligations for refunds, warranties or similar obligations and revenue does not include taxes collected from our customers.

Management has determined that the majority of fees associated with professional services do not have stand-alone value to the customer apart from the Company's recurring services. Accordingly, the Company records these one-time fees as deferred revenue.

Disaggregation of Revenue from Contracts with Customers

The Company derives revenue from three primary sources based on the services offered: revenue cycle management, SaaS solutions, professional services and medical transcription services. The Company exited the medical transcription business in December 2019.

The following table represents a disaggregation of revenue for the three months ended March 31, 2020 and 2019:

	2020	2019
Revenue cycle management	$ 8,777,584	$ 10,581,086
SaaS solutions and software maintenance	1,963,831	1,724,381
Professional services	189,745	147,074
Medical transcription services	-	143,152
Total	$ 10,931,160	$ 12,595,693

Revenue cycle management services:

Revenue cycle management services are the recurring process of submitting and following up on claims with health insurance companies in order for the healthcare providers to receive payment for the services they rendered. The Company typically invoices customers on a monthly basis based on the actual collections received by its customers and the agreed-upon rate in the sales contract. The services include use of practice management software and related tools (on a SaaS basis), electronic health records (on a SaaS basis), medical billing services and use of mobile health solutions. The Company considers the services to be one performance obligation since the promises are not distinct in the context of the contract. The performance obligation consists of a series of distinct services that are substantially the same and have the same periodic pattern of transfer to customers.

Payment terms are normally net 30 days. Although contracts typically have stated terms of one or more years, under ASC 606 the contracts are considered month-to-month and accordingly, there is no financing component.

NOTE 8 – REVENUE (Continued)

Under the Company's revenue cycle management services solution, the Company derives revenue primarily from recurring business service fees, which include amounts charged for ongoing collection services billed to the customer as a percentage of practice collections on a monthly basis. Recurring business service fees may also include amounts charged to the customer for patient statements and for other services for which reimbursement is based on a fixed fee per patient visit and recognized as revenue as the related services are performed. For the majority of revenue cycle management contracts, the total transaction price is variable because the obligation is to process an unknown quantity of claims, as and when requested by customers over the contract period. When a contract includes variable consideration, the Company evaluates the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, variable consideration is included in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with variable consideration is subsequently resolved. Estimates to determine variable consideration such as payment to charge ratios, effective billing rates, and the estimated contractual payment periods are updated at each reporting date. Revenue is recognized over the performance period using the input method.

The Company offers SaaS subscription service for healthcare practice management. The Company typically invoices customers on a monthly basis based on an agreed-upon rate in the sales contract. The Company considers the services to be one performance obligation since the promises are not distinct in the context of the contract. The performance obligation consists of a series of distinct services that are substantially the same and have the same periodic pattern of transfer to customers.

Payment terms are normally net 30 days. Although the contracts typically have stated terms of one or more years, under ASC 606 contracts are considered month-to-month and accordingly, there is no financing component.

Under the Company's SaaS services, the Company derives revenue primarily from recurring business subscription fees. Recurring business subscription fees may also include amounts charged to the customer for patient statements and for other services for which reimbursement is based on a fixed fee per patient visit and recognized as revenue as the related services are performed.

Information about contract balances:

As of March 31, 2020, the estimated revenue expected to be recognized in the future related to the remaining revenue cycle management performance obligations outstanding was approximately $ $856,000. The Company expects to recognize substantially all of the revenue for the remaining performance obligations over the next three months.

Amounts that the Company is entitled to collect under the applicable contract are recorded as accounts receivable. Invoicing is performed at the end of each month when the services have been provided. The contract asset includes the right to payment for services already transferred to a customer when the right to payment is conditional on something other than the passage of time. For example, contracts for revenue cycle management services where the Company recognizes revenue over time but does not have a contractual right to payment until the customer receives payment of their claim from the insurance provider.

Changes in the contract asset are recorded as adjustments to net revenue. The changes primarily result from providing services to revenue cycle management customers that result in additional consideration and are offset by the right to payment for services becoming unconditional and changes in the revenue accrued for the group purchasing services. The opening and closing balances of the Company's accounts receivable, contract asset and deferred revenue are as follows:

	Accounts receivable, net	Contract asset	Deferred revenue (current)
Balance as of January 1, 2020	$ 6,104,089	$ 760,508	$ 1,362,560
(Decrease) increase	(1,045,608)	95,480	(249,882)
Balance as of March 31, 2020	$ 5,058,481	$ 855,988	$ 1,112,678

NOTE 9 - 401(k) PROFIT SHARING PLAN

The Company maintains a 401(k) profit sharing plan that covers all eligible full-time employees. The plan's salary deferral provision allows the Company to make a matching contribution to the plan. The Company made contributions including estimated profit sharing payments of $61,922 and $68,980 for the three months ended March 31, 2020 and 2019, respectively.

NOTE 10 - RELATED-PARTY TRANSACTIONS

On December 9, 2014, the Company amended its existing monitoring service agreement and a professional services agreement with different affiliates, related through common ownership. The monitoring services agreement provides for an annual fee of $1,000,000 plus certain out-of-pocket expenses. The professional services agreement provides for certain administrative and consulting services rendered by the affiliate at an agreed upon hourly rate. For the three months ended March 31, 2019, the Company expensed and accrued monitoring fees. The affiliates forgave these 2019 fees later in the year.

For the three months ended March 31, 2020, the Company accrued monitoring fees and some travel expenses because it did not receive clear indication by the affiliated companies whether the fees would have invoiced or forgiven, like in 2019.

The accrued monitoring fees and expenses were $250,025 and $187,500 for the three months ended March 31, 2020 and 2019, respectively; the affiliates did not charge Meridian for any monitoring fees and travel expenses in 2020 and all accrued amounts were subsequently reversed. The balance due to the former parent companies of the Company was $13,028 at March 31, 2020.

The Company has entered into non-compete agreements with key members of management, which prohibits them from engaging in the provision of billing services and/or practice management software services serving medical groups and practices in the United States of America for a period of time after termination.

NOTE 11 - INCOME TAXES

The following is the provision for income taxes for the three months ended March 31:

	2020	2019
Current		
Federal	$ 10,060	$ 20,950
State	12,103	23,534
Total current income tax provision	22,163	44,484
Income Tax Expense	$ 22,163	$ 44,484

On March 27, 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. Several new corporate tax provisions were included in the CARES Act, including, but not limited to, the following: increasing the limitation threshold for determining deductible interest expense, class life changes to qualified improvements (in general - from 39 years to 15 years), and the ability to carry back net operating losses incurred from tax years 2018 through 2020 up to the five preceding tax years. The Company has evaluated the new tax provisions of the CARES Act and determined the impact to be either immaterial or not applicable.

NOTE 12 - CONTINGENCIES

Contingencies

The Company is a defendant in two lawsuits filed by two former clients for alleged failure to properly bill and collect. The Company is also defendant in two lawsuits with two former employees. Outside counsel is not able to offer a position on the outcome at this time. The Company believes the suits are without merit and is vigorously defending its positions.

NOTE 13 - RESTRUCTURING EXPENSES

Restructuring expenses relate to the Company's reorganization of its operations with the objective to improve the overall efficiency and long-term profit. These charges are expensed in the period in which they are incurred.

The restructuring expenses incurred by the Company include:

- Facility abandonment related expenses for two leased facilities, one of which is no longer use by the Company and the other, which will be abandoned later in 2020. The Company is marketing both facilities for sublease and recorded the difference between the contractual rent obligation and the estimate sublease payments as a restructuring charge.
- Redundancies and overtime to manage vendor and customer transitions,
- Legal expenses related to supplier and customers settlements, and
- Outsourced project management expenses

NOTE 14 - SUBSEQUENT EVENT

Management has performed an analysis of the activities and transactions subsequent to March 31, 2020 and through August 5, 2020 to determine the need for any adjustments to and/or disclosures within the financial statements for the three months ended March 31, 2020. On June 16, 2020, MTBC entered into a SPA with the Company and GMM II Holdings, LLC pursuant to which MTBC purchased all of the issued and outstanding capital stock of the Company from the former parent. No other events were deemed by management to require disclosure.

Exhibit 99.3

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

We prepared the following unaudited pro forma condensed combined financial statements based on the historical consolidated financial statements of MTBC, Inc. ("MTBC" or the "Company") as adjusted to give effect to the following transactions (the "Transactions"):

- Our acquisition of Meridian Billing Management Co. and Origin Holdings, Inc. (collectively, "Meridian"), which consists of all of the assets and liabilities of Meridian with an effective date of June 16, 2020;
- Our acquisition of CareCloud Corporation ("CareCloud"), which consists of all of the assets and liabilities of CareCloud with an effective date of January 8, 2020; and
- Our acquisition of Etransmedia Technology, Inc., and its wholly owned subsidiaries, ("ETM"), which consists of substantially all of the assets and the assumption of certain liabilities of ETM with an effective date of April 1, 2019.

Meridian, CareCloud and ETM are collectively referred to as the "Acquired Companies."

The unaudited pro forma condensed combined statements of operations for the year ended December 31, 2019 and the quarter ended March 31, 2020 give effect to the Transactions as if each of them had occurred on January 1, 2019. The unaudited pro forma condensed combined balance sheet as of March 31, 2020 gives effect to the acquisition of Meridian as if it had occurred on March 31, 2020.

The pro forma condensed combined statements of operations include adjustments for our acquisitions under Article 11 of Regulation S-X. The results of the Transactions are shown for the periods prior to the acquisition of the Acquired Companies by MTBC.

We determined that the Transactions each involved the acquisition of a business, and considering the guidance in Rule 11-01(d) of Regulation S-X, met the significance test of Rule 8-04 of Regulation S-X.

The Meridian audited financial statements as of December 31, 2019 and 2018, and for the years then ended, and the interim financial statements for the three months ended March 31, 2020, appear elsewhere in this Form 8-K/A.

We have based the pro forma adjustments upon available information and certain assumptions that we believe are reasonable under the circumstances. We describe in greater detail the assumptions underlying the pro forma adjustments in the accompanying notes, which you should read in conjunction with these unaudited pro forma condensed combined financial statements. In many cases, we based these assumptions on estimates. The actual adjustments to our audited consolidated financial statements will depend upon a number of factors. Accordingly, the actual adjustments that will appear in our consolidated financial statements will differ from these pro forma adjustments, and those differences may be material.

We account for our acquisitions using the acquisition method of accounting for business combinations under generally accepted accounting principles used in the United States ("GAAP"), with MTBC being considered the acquiring entity. Under the acquisition method of accounting, the total consideration paid is allocated to an acquired company's tangible and intangible assets, net of liabilities, based on their estimated fair values as of the acquisition date.

The Company issued 828,000 shares of its Series A Preferred Stock in April 2020 and a portion of the proceeds from such capital raise were used to finance the Meridian acquisition. The effect of this capital raise has been included in the unaudited pro forma condensed combined balance sheet and the related dividends have been recorded in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019 and the three months ended March 31, 2020.

We provide these unaudited pro forma condensed combined financial statements for informational purposes only. These unaudited pro formacondensed combined financial statements do not purport to represent what our results of operations or financial condition would have been had the Transactions actually occurred on the assumed dates, nor do they purport to project our consolidated results of operations or financial condition for any future period or future date.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2019

	MTBC	January 1, 2019 to March 31, 2019 ETM	CareCloud	MTBC + Previously Acquired Subtotal	Meridian	Pro Forma Adjustments	Pro Forma Combined
	(in thousands, except per share data)						
Net revenue	$ 64,439	$ 2,067	$ 33,354	$ 99,860	$ 50,832	$ -	$ 150,692
Operating expenses:							
Direct operating costs	41,186	2,716	21,169	65,071	35,180	-	100,251
Selling and marketing	1,522	-	6,782	8,304	1,322	-	9,626
General and administrative	17,912	1,141	6,501	25,554	6,465	(732)(1)	31,287
Research and development	871	-	13,733	14,604	291	-	14,895
Change in contingent consideration	(344)	-	-	(344)	-	-	(344)
Depreciation and amortization	3,006	20	3,208	6,234	6,880	(741)(2)	12,373
Restructuring and impairment charges	219	-	-	219	4,195	-	4,414
Total operating expenses	64,372	3,877	51,393	119,642	54,333	(1,473)	172,502
Operating income (loss)	67	(1,810)	(18,039)	(19,782)	(3,501)	1,473	(21,810)
Interest expense - net	(121)	-	(4,212)	(4,333)	(2,544)	6,756(3)	(121)
Other (expense) income - net	(625)	-	558	(67)	(83)	-	(150)
Loss before income taxes	(679)	(1,810)	(21,693)	(24,182)	(6,128)	8,229	(22,081)
Income tax provision	193	2	16	211	159	-(4)	370
Net (loss) income	$ (872)	$ (1,812)	$ (21,709)	$ (24,393)	$ (6,287)	$ 8,229	$ (22,451)
Preferred stock dividend	6,386	-	-	6,386	-	4,917(3)	11,303
Net loss attributable to common shareholders	$ (7,258)	$ (1,812)	$ (21,709)	$ (30,779)	$ (6,287)	$ 3,312	$ (33,754)
Weighted-average common shares outstanding:							
Basic and diluted	12,088						12,088
Loss per share:							
Basic and diluted	$ (0.60)						$ (2.79)

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2020

	MTBC	January 1 to 8, 2020 CareCloud	MTBC + Previously Acquired Subtotal	Meridian	Pro Forma Adjustments	Pro Forma Combined
	(in thousands, except per share data)					
Net revenue	$ 21,867	$ 618	$ 22,485	$ 10,931	$ -	$ 33,416
Operating expenses:						
Direct operating costs	13,567	343	13,910	8,082	-	21,992
Selling and marketing	1,580	108	1,688	276	-	1,964
General and administrative	5,593	148	5,741	1,668	(277)(1)	7,132
Research and development	2,333	196	2,529	65	-	2,594
Depreciation and amortization	1,333	124	1,457	1,670	(1,023)(2)	2,104
Restructuring and impairment charges	298	-	298	317	-	615
Total operating expenses	24,704	919	25,623	12,078	(1,300)	36,401
Operating (loss) income	(2,837)	(301)	(3,138)	(1,147)	1,300	(2,985)
Interest expense - net	(80)	-	(80)	(531)	531(3)	(80)
Other income (expense) - net	445	(1)	444	(26)	-	418
(Loss) income before income taxes	(2,472)	(302)	(2,774)	(1,704)	1,831	(2,647)
Income tax provision	30	-	30	22	-(4)	52
Net (loss) income	$ (2,502)	$ (302)	$ (2,804)	$ (1,726)	$ 1,831	$ (2,699)
Preferred stock dividend	2,643	-	2,643	-	707(3)	3,350
Net loss attributable to common shareholders	$ (5,145)	$ (302)	$ (5,447)	$ (1,726)	$ 1,124	$ (6,049)
Weighted-average common shares outstanding:						
Basic and diluted	12,311					12,311
Loss per share						
Basic and diluted	$ (0.42)					$ (0.49)

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF March 31, 2020

	MTBC	Meridian	Acquisition Related Pro Forma Adjustments	Pro Forma Results
		(in thousands)		
Cash	$ 8,396	$ 3,514	$ 3,744(6),(7)	$ 15,654
Accounts receivable - net	9,315	5,059	(1,259)(6)	13,115
Contract asset	2,885	856	25(6)	3,766
Inventory	486	-	-	486
Current assets - related party	13	-	-	13
Other current assets	2,311	715	(11)(6)	3,015
Current assets	23,406	10,144	2,499	36,049
Property and equipment - net	3,447	775	(349)(6)	3,873
Operating lease right-of-use assets	6,431	2,726	80(6)	9,237
Intangible assets - net	17,337	9,566	3,234(5)	30,137
Goodwill	38,352	13,240	966(5)	52,558
Other assets	860	187	(187)(6)	860
Total assets	$ 89,833	$ 36,638	$ 6,243	$ 132,714
Accounts payable	$ 6,762	$ 2,940	$ 433(6)	$ 10,135
Accrued compensation	1,900	-	-	1,900
Accrued expenses	3,025	3,500	91(6)	6,616
Operating lease liability (current portion)	2,825	1,906	123(6)	4,854
Deferred revenue	24	1,113	(206)(6)	931
Accrued liability to related parties	1	-	-	1
Notes payable - other (current portion)	183	20,581	(20,581)(6)	183
Contingent consideration	1,050	-	-	1,050
Other current liabilities	-	198	(135)(6)	63
Dividend payable	2,407	-	-	2,407
Total current liabilities	18,177	30,238	(20,275)	28,140
Notes payable - other	45	-	-	45
Borrowings under line of credit	9,750	3,000	(3,000)(6)	9,750
Operating lease liability	4,208	4,242	(216)(6)	8,234
Deferred revenue	196	-	-	196
Deferred tax liability	260	-	-	260
Total liabilities	32,636	37,480	(23,491)	46,625
Preferred stock	3	-	2 (6),(7)	5
Common stock	13	23,290	(23,290)(6)	13
Additional paid-in capital	86,853	36,714	(7,824)(6),(7)	115,743
Accumulated deficit	(27,577)	(60,846)	60,846 (6)	(27,577)
Accumulated other comprehensive loss	(1,433)	-	-	(1,433)
Common shares held in treasury	(662)	-	-	(662)
Total shareholders' equity (deficiency)	57,197	(842)	29,734	86,089
Total liabilities and shareholders' equity (deficiency)	$ 89,833	$ 36,638	$ 6,243	$ 132,714

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

On June 16, 2020, MTBC entered into a Stock Purchase Agreement ("SPA") with Meridian and GMM II Holdings, LLC, a Delaware limited liability company (the "Seller"), pursuant to which MTBC purchased all of the issued and outstanding capital stock of Meridian from the Seller for total consideration of $15 million in cash, 200,000 shares of the Company's 11% Series A Cumulative Redeemable Perpetual Preferred Stock ("Preferred Stock") plus warrants to purchase 2,250,000 shares of the Company's common stock, with an exercise price per share of $7.50 and a term of two years. The Company also assumed Meridian's negative net working capital and certain long-term lease liabilities where the leased space is either not being utilized or will be vacated shortly, with an aggregate value of approximately $4.8 million. The Company sold Preferred Stock in April 2020 and a portion of the proceeds of such capital raise were used to finance the acquisition. The effect of the capital stock raise has been reflected in the pro forma condensed combined financial statements included herein.

The cash consideration was used to repay Meridian's indebtedness (other than the aforementioned leases) and transaction expenses. A portion of the preferred stock consideration was held back and released by the Company after satisfaction of certain specified obligations of Meridian.

On January 8, 2020, MTBC entered into an Agreement and Plan of Merger (the "Merger Agreement") with CareCloud, MTBC Merger Sub, Inc., a Delaware corporation and wholly-owned subsidiary of the Company ("Merger Sub") and Runway Growth Credit Fund Inc. ("Runway"), solely in its capacity as a seller representative, pursuant to which Merger Sub merged with and into CareCloud (the "Merger"), with CareCloud surviving as a wholly-owned subsidiary of the Company. The Merger became effective simultaneously with the execution of the Merger Agreement.

The total consideration for the Merger paid at closing was $11.9 million in cash, the assumption of a working capital deficiency of approximately $5.1 million and 760,000 shares of the Company's Preferred Stock. The Merger Agreement provides that if CareCloud's 2020 revenues exceed $36 million, there will be an earn-out payment to the seller equal to such excess, up to $3 million. Additional consideration included warrants to purchase 2,000,000 shares of the Company's common stock, 1,000,000 of which have an exercise price per share of $7.50 and a term of two years, and the other 1,000,000 warrants have an exercise price per share of $10.00 and a term of three years.

In April 2019, MTBC-Med, Inc., ("MED"), a newly-created Delaware corporation and a wholly-owned subsidiary of the Company, entered into an Asset Purchase Agreement ("APA") with Formativ Health, Inc. ("FHI") to acquire substantially all of the assets of Etransmedia Technology, Inc., and its wholly owned subsidiaries, (collectively, "ETM"). The agreement for sale was signed on April 3, 2019, with the transaction being effective as of April 1, 2019. Pursuant to the APA and subject to the conditions set forth therein, MED paid $1.6 million in cash and assumed certain liabilities in connection with the acquisition.

The audited 2019 and 2018 combined financial statements of Meridian were prepared under GAAP. Revenue recognition was determined under ASC 606 for the year ended December 31, 2019 and the three months ended March 31, 2020. The accounting for leases was determined under ASC 842 for the three months ended March 31, 2020. For the year ended December 31, 2019, Meridian accounted for its leases under ASC 840.

NOTES:

(1) Expenses Directly Attributable to the Transactions — The following are non-recurring transaction expenses for professional and other fees incurred by the Company during the year ended December 31, 2019 and the three months ended March 31, 2020 associated with the Transactions. Such expenses were not considered in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019 and the three months ended March 31, 2020.

Non-recurring transaction expenses associated with the Acquired Businesses

	MTBC	ETM	CareCloud	Meridian	Pro Forma Adjustments
			(in thousands)		
Year ended December 31, 2019	$ 337	$ -	$ 395	$ -	$ 732
Three months ended March 31, 2020	277	-	-	-	277

(2) Amortization of Purchased Intangible Assets — We amortize intangible assets over their estimated useful lives. We based the estimated useful lives of acquired intangible assets on the amount and timing in which we expect to receive an economic benefit. We typically assign these intangible assets a useful life of between 3-4 years based upon a number of factors, including contractual agreements and economic factors pertaining to the combined companies.

The estimates of fair value and weighted-average useful lives could be impacted by a variety of factors including legal, regulatory, contractual, competitive, economic or other factors. Increased knowledge about these factors could result in a change to the estimated fair value of these intangible assets and/or the weighted-average useful lives from what we have assumed in these unaudited pro forma condensed combined financial statements. In addition, the combined effect of any such changes could result in a significant increase or decrease to the related amortization expense estimates.

The amortization of intangible assets of our acquisitions, shown below, assumes that the assets were acquired on January 1, 2019.

Amortization expense for the year ended December 31, 2019

	ETM	CareCloud	Meridian	Total Expense
		(in thousands)		
Pro forma amortization expense	$ 70	$ 3,466	$ 5,059	$ 8,595
As recorded in the historical financial statements	3	2,913	6,420	9,336
Pro forma adjustment	$ 67	$ 553	$ (1,361)	$ (741)

Amortization expense for the three months ended March 31, 2020

	ETM	CareCloud	Meridian	Total Expense
		(in thousands)		
Pro forma amortization expense	$ 62	$ 642	$ 931	$ 1,635
As recorded in the historical financial statements	70	1,026	1,562	2,658
Pro forma adjustment	$ (8)	$ (384)	$ (631)	$ (1,023)

There was no adjustment for depreciation or amortization not related to purchased intangible assets.

(3) Interest and Dividends— The interest expense incurred by Meridian and CareCloud of approximately $2.5 million and $4.2 million, respectively for the year ended December 31, 2019 and the interest expense incurred by Meridian for the three months ended March 31, 2020 of approximately $531,000 has been eliminated to reflect the full payment of outstanding debt balances as of the acquisition date. Dividends of approximately $2.6 million and $138,000, respectively, have been included for year ended December 31, 2019 and the three months ended March 31, 2020 as an adjustment to reflect the amounts that would have been recorded as a result of the issuance of the Company's Preferred Stock as part of the consideration for the acquisition. Additionally, dividends of approximately $2.3 million and $569,000, respectively, have been included for the year ended December 31, 2019 and the three months ended March 31, 2020 as an adjustment to reflect the Company's capital raise in April 2020 for which a portion of the proceeds were used to finance the Meridian acquisition.

(4) Benefit for Income Tax — The income tax effects reflected in the pro forma adjustments are based on an estimated Federal statutory rate of 21% for the year ended December 31, 2019 and the three months ended March 31, 2020. We did not record a benefit for income taxes for the year ended December 31, 2019 and the three months ended March 31, 2020, in the unaudited pro forma condensed combined statement of operations since the Company has a valuation allowance recorded against its Federal and state deferred tax asset as of December 31, 2019 and March 31, 2020.

(5) Intangible Assets — We based our estimates of each intangible asset type/category that we expect to recognize as part of the Meridian acquisition on the nature of the business and the fair value of contracts that we have entered into with the sellers. We based our estimates on experiences from our prior acquisitions and the types of intangible assets that we recognized as part of those acquisitions. In particular, our experience with our prior acquisitions indicates that customer contracts and customer relationships compose the significant majority of intangible assets for these types of businesses. We based the estimated useful lives of these intangible assets on the useful lives that we have experienced for similar intangible assets in prior acquisitions and on the nature of the assets.

The amounts set forth below reflect the fair value of the intangible assets of Meridian that we acquired, and their estimated useful lives.

Intangible Assets of Meridian

		(in thousands)	Estimated useful life
Customer relationships	$	11,900	4 years
Technology		900	3 years
Goodwill		14,206	
Total intangible assets	$	27,006	

(6) Preliminary Purchase Price Allocation — We recognize the assets and liabilities acquired at their fair value on the acquisition date, and if there is any excess in purchase price over these values, it is allocated to goodwill.

For the Meridian acquisition, management has made a fair value estimate of the assets acquired and liabilities assumed as of June 16, 2020. Our model includes assumptions such as revenue growth rates, profitability rates, attrition rates and weighted average costs of capital, where applicable.

The acquisition of Meridian includes the transfer of all customer relationships and agreements, accounts receivable, property and equipmentand the assumption of all trade liabilities. We determined the fair value of the property and equipment acquired by reference to current market prices for such assets, and the value of the assumed liabilities were already stated at fair value or were contractually specified. An adjustment of $349,000 was required to adjust the property and equipment to fair value. The fair value of the operating lease right-of-use assets was determined based on our preliminary assessment of the leases assumed. The fair value of the accounts receivable was determined based on the subsequent collections and the customers' payment history.

Included in the purchase price allocation are amounts for customer relationships determined by the Company using the multi-period excess earnings approach which was utilized in previous acquisitions.

The Company has engaged a third-party valuation specialist to assist in determining the fair value of the assets and liabilities acquired in the Meridian acquisition. The allocations of the purchase price for the Meridian acquisition are preliminary and are subject to revision and will be adjusted in future filings. The final purchase price will be determined when the third-party valuation specialist and the Company have completed the detailed valuations and necessary calculations.

The following table shows the preliminary purchase price allocation and the estimated fair values of the acquired assets and liabilities as of June 16, 2020.

Preliminary Purchase Price Allocation

		Meridian (in thousands)
Cash	$	11,864
Preferred stock		5,000
Warrants		4,770
Total purchase price	**$**	**21,634**
Accounts receivable	$	3,800
Prepaid expenses		704
Contract asset		881
Property and equipment		426
Operating lease right-of-use assets		2,806
Customer relationships		11,900
Technology		900
Goodwill		14,206
Accounts payable		(3,373)
Accrued expenses		(3,591)
Other current liabilities		(63)
Operating lease liabilities		(6,055)
Deferred revenue		(907)
Total preliminary purchase price allocation	**$**	**21,634**

(7) April Preferred Stock Raise — The Company issued 828,000 shares of its Series A Preferred Stock in April 2020, raising net proceeds of approximately $19.1 million. A portion of the proceeds were used as consideration for the Meridian acquisition. The effect of this capital raise is reflected in the March 31, 2020 pro forma condensed combined balance sheet. The following table summarizes the impact of the capital raise:

Capital raise

		(in thousands)
Cash	$	19,122
Preferred Stock		1
Additional paid-in-capital		19,121

The effect of the dividend on the Preferred Stock issued has been recorded in the unaudited pro forma condensed combined statement of operations for the year ended December 31, 2019 and the three months ended March 31, 2020.

Exhibit 99.4

Supplemental Information

For Meridian, CareCloud and ETM, we identified revenue from customers who cancelled their contracts prior to MTBC's acquisition of such customers' contracts. Such revenue is included in the pro forma condensed combined statement of operations, even though MTBC will not generate revenues from those customers.

Estimated revenue from customers who cancelled prior to our acquisition

	ETM	CareCloud	Meridian	Total
		(in thousands)		
Year ended December 31, 2019	$ 213	$ 754	$ 8,816	$ 9,783
Three months ended March 31, 2020	-	-	887	887

To provide investors with additional insight and allow for a more comprehensive understanding of the information used by management in its financial and operational decision-making surrounding pro forma operations, we supplement our condensed combined financial statements presented on a basis consistent with GAAP, with adjusted EBITDA, a non-GAAP financial measure of earnings. Adjusted EBITDA represents the sum of GAAP net income (loss) before provision for (benefit from) income taxes, net interest expense, other expense (income), stock-based compensation expense, depreciation and amortization, integration and transaction costs, restructuring and impairment charges and changes in contingent consideration. Our management uses adjusted EBITDA as a financial measure to evaluate the profitability and efficiency of our business model. We use this non-GAAP financial measure to assess the strength of the underlying operations of our business. These adjustments, and the non-GAAP financial measure that is derived from them, provide supplemental information to analyze our operations between periods and over time. We find this especially useful when reviewing pro forma results of operations which include large non-cash amortization of intangibles assets from acquisitions. Investors should consider this non-GAAP financial measure in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP.

The following tables contain a reconciliation of GAAP net loss to adjusted EBITDA for the year ended December 31, 2019 and the three months ended March 31, 2020:

Reconciliation of GAAP net loss for the year ended December 31, 2019 to Adjusted EBITDA

	MTBC	ETM	CareCloud	Previously Acquired Subtotal	Meridian	Pro Forma Adjustments	Pro Forma Combined
				(in thousands)			
Net revenue	$ 64,439	$ 2,067	$ 33,354	$ 99,860	$ 50,832	$ -	$ 150,692
GAAP net loss	$ (872)	$ (1,812)	$ (21,709)	$ (24,393)	$ (6,287)	$ 8,229	$ (22,451)
Provision for income taxes	193	2	16	211	159	-	370
Net interest expense	121	-	4,212	4,333	2,544	(6,756)	121
Foreign exchange / other expense	827	-	-	827	-	-	827
Stock-based compensation expense	3,215	-	-	3,215	-	-	3,215
Depreciation and amortization	3,006	20	3,208	6,234	6,880	(741)	12,373
Integration and transaction costs (1)	1,736	-	-	1,736	-	(732)	1,004
Restructuring and impairment charges (2)	219	-	-	219	4,195	-	4,414
Change in contingent consideration	(344)	-	-	(344)	-	-	(344)
Adjusted EBITDA	$ 8,101	$ (1,790)	$ (14,273)	$ (7,962)	$ 7,491	$ -	$ (471)

Reconciliation of GAAP net loss for the three months ended March 31, 2020 to Adjusted EBITDA ($000)

	MTBC	January 1 to 8, 2020 CareCloud	MTBC + Previously Acquired Subtotal	Meridian	Pro Forma Adjustments	Pro Forma Combined
			(in thousands)			
Net revenue	$ 21,867	$ 618	$ 22,485	$ 10,931	$ -	$ 33,416
GAAP net loss	$ (2,502)	$ (302)	$ (2,804)	$ (1,726)	1,831	$ (2,699)
Provision for income taxes	30	-	30	22	-	52
Net interest expense	80	-	80	531	(531)	80
Foreign exchange / other expense	(424)	-	(424)	-	-	(424)
Stock-based compensation expense	1,307	-	1,307	-	-	1,307
Depreciation and amortization	1,333	124	1,457	1,670	(1,023)	2,104
Integration and transaction costs (1)	645	-	645	-	(277)	368
Restructuring and impairment charges (2)	298	-	298	317	-	615
Adjusted EBITDA	$ 767	$ (178)	$ 589	$ 814	$ -	$ 1,403

(1) The integration and transactions costs for MTBC include severance amounts paid to employees from acquired businesses, transactions costs, such as brokerage fees, pre-acquisition accounting costs and legal fees and exit costs related to contractual agreements.

(2) The Company's restructuring charges represent the remaining lease costs for a facility no longer used as the employees were transferred to another facility. The Company's impairment charges represent charges recorded for a leased facility no longer being used. Meridian's restructuring and impairment charges represent facility abandonment costs, legal and other expenses related to the reorganization of their operations.