

MARKET STATISTICS

Exchange/Symbol	OTCQB: CRVW
Price:	\$0.30
Market Cap (\$mm):	\$41.81
Enterprise Value (\$mm):	\$71.53
Shares Outstanding (mm):	139.38
Float (%):	71%
Volume (3 month avg.):	75,000
52 Week Range:	\$0.21-\$0.53
Industry:	Healthcare Technology

CONDENSED BALANCE SHEET

(\$mm, except per sh data)

Balance Sheet Date:	9/30/2015
Cash & Cash Equivalent:	\$23.8*
Cash/Share:	\$0.17
Total Liabilities:	\$55.5*
Equity (Book Value):	\$(21.7)

*Includes \$20mm drawn on 10/7/15

CONDENSED INCOME STATEMENTS

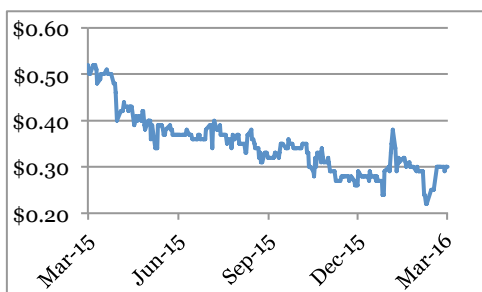
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FY - 12/31	Revenue	Income	EBITDA	EPS
FY12	\$1.63	\$(18.50)	\$(8.96)	\$(0.14)
FY13	\$2.07	\$(13.62)	\$(5.31)	\$(0.10)
FY14	\$3.06	\$(14.45)	\$(5.13)	\$(0.10)
9 mo.- Q315	\$3.66	\$(11.52)	\$(3.72)	\$(0.08)

MAJOR HOLDERS

Wellington Mgmt. Group LLP	14%
Allen L. Wheeler	11%
Steven G. Johnson	10%
Fidelity Investments	7%

STOCK CHART



COMPANY DESCRIPTION

CareView Communications, Inc. develops and markets a proprietary high-speed data network system that includes the CareView System® suite of integrated video monitoring, guest services, and related applications. The company's products and applications can be deployed over any facility's existing co-axial infrastructure, requiring no capital outlay from the client for installing the system. The network supports layers of interactive monitoring tools and solutions designed to reduce healthcare facility costs, improve patient safety, improve quality of care, streamline workflow and provide value-added services to healthcare customers. The CareView System addresses a large market opportunity consisting of hospitals, outpatient care facilities, nursing homes and adult living centers. CareView Communications began operations in September 2007 and is headquartered in Lewisville, TX.

SUMMARY

With a disciplined growth strategy, unique patented technology, limited direct competition, and an established presence in a market with enormous growth potential, we believe that CareView is positioned for continuing sequential revenue growth.

- The company's SitterView sitter management program dramatically reduces sitter costs by replacing 1:1 patient observation personnel with 10:1 virtual monitoring.
- The economics of CareView's technology is compelling for hospitals – for the majority of contracts, the savings from the sitter management program alone more than pays for the entire CareView package.
- Using CareView's comprehensive fall management and sitter management solutions, hospitals have reported reducing falls by approximately 50%-80%, while at the same time, reducing sitter costs by 50% or more.
- With a presence in eight of the top ten hospital companies in the U.S., CareView is well established in the market. As of 10/31/15, its products are installed in over 9,000 patient beds in 108 acute care facilities; however, with one million hospital beds in the U.S., the company has substantial room for growth.
- With its five issued patents and nine patents pending, CareView diligently protects its intellectual property from competitors and raises barriers to entry in its markets.
- CareView's business model is based on providing its services for a monthly subscription fee with a relatively low cost of delivery. As more clients are added to the network, and as clients add more services, CareView should see margin expansion over its low fixed cost structure.
- CareView has limited direct competition in its markets. A few companies provide a portion of the services CareView offers, but none provides both clinical applications and entertainment, and all competitors require a capex commitment unlike CareView System.
- The company continues to evolve in order to address the sizable telemedicine opportunity that is expected to be worth more than \$34 billion by the end of 2020, with North America accounting for 40% of the market.
- CareView's advanced technology, its penetration into the acute care hospital market, and its valuable and highly defensible patent portfolio position the company as an attractive acquisition candidate.
- The Company is still gaining traction with sales in its initial target market – hospitals. To demonstrate its potential value as it ramps installations across the U.S., we have designed a scenario analysis based on several assumptions of billable beds, pricing, and EBITDA margins in the year 2019 to help frame a per share price. Our analysis results in a base case range of \$1.13 - \$2.24. We note that this analysis does not include the potential of nursing homes and assisted living centers at this point, markets that when combined have approximately 5x as many beds as the hospital market alone.

BUSINESS OVERVIEW

With its ongoing investment in video patient care monitoring and mobile communications, CareView has the goal of helping hospitals, and other patient care facilities in the future, build safer, higher quality healthcare delivery systems, while striving for the highest levels of patient safety, satisfaction, and comfort. The company offers its products and services in two platforms: clinical products and patient service products.

Exhibit 1: Products and Services Portfolio

Cinical Products	Patient Service Products
Fall Reduction Program	NetView [®]
NurseView [®]	MovieView [®]
FacilityView [®]	Greetings/Orientation
SitterView [®]	Shopping
Virtual Bed Rails [®]	Satisfaction Surveys
BedView [®]	Education
CareView Connect [™]	PatientView [®]
RFID	BabyView [®]

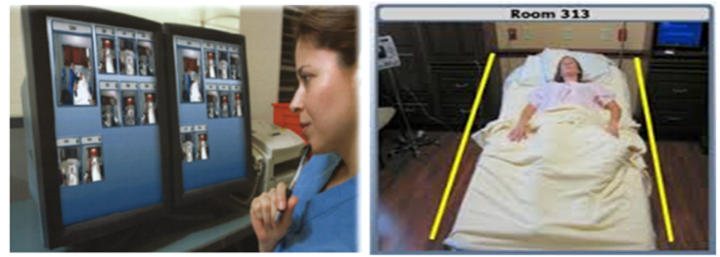
Source: Company Reports

The clinical products and services can dramatically reduce patients' falls, enhance overall patient safety, improve quality of care and reduce costs. The patient service products enable patients to use the Internet, to watch first-run movies, obtain educational material, and enjoy the company of family and friends via a videoconference from the comfort of their hospital room.

Two of CareView's key product offerings are its Virtual Bed Rails and SitterView modules that are aimed at preventing patient falls in hospitals—a serious and growing problem. From 700,000 to one million hospitalized patients suffer a fall in U.S. hospitals every year. According to the Joint Commission on Transforming Healthcare, each fall increases the length of a patient's stay by 6.27 days and costs the hospital an average of \$14,046, a cost that Medicare and most private insurers no longer cover. Litigation relating to hospital falls is steadily increasing in terms of number and size of settlements.

The historical solution for most hospitals has been to hire "patient sitters," who receive hourly pay, or to assign staff members to the task. CareView provides a comprehensive sitter management solution, which hospitals have reported can reduce falls by 50% to 80%, while at the same time, reducing sitter costs by 50% or more. SitterView enables a single observer to monitor several patients using two-way audio/video technology. The observer can monitor on a 4:1 basis using a handheld wi-fi enabled tablet or other handheld device, or on a 10:1 (or higher) basis using a larger monitor.

Exhibit 2: SitterView and Virtual Bed Rails

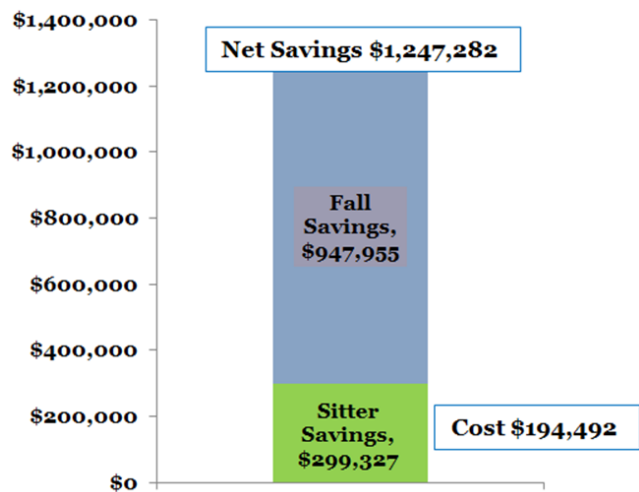


Source: Company Reports

The Virtual Bed Rails sophisticated motion detection system allows a nurse to draw boundaries around a patient's bed using a touch-screen monitor. If the boundaries are crossed, an alarm sounds, and the observer can immediately provide verbal commands to the patient through the two-way audio system. Also, using the mobile communication system, the observer can send out a one-to-many message to mobile devices to summon help.

The company's suite of products and services has a demonstrated ability to simplify and streamline the task of preventing and managing patients' falls. The economics of this technology is compelling and is driving the business forward. Exhibit 3 provides data from a 9-month pilot study that took place in two hospitals that are part of one of the largest healthcare systems in the U.S.

Exhibit 3: Compelling ROI for Hospitals



Source: Company Reports

CareView currently has a presence in eight of the top ten hospital companies in the U.S., either under a pilot program or a full contract. The attractive ROI from the fall and sitter management programs, combined with no required upfront outlay of capital, has been a successful formula for CareView in gaining entrance into hospitals. And while a hospital can start with the most basic of packages, all services are readily available and can be easily added. CareView's products are currently installed for over 9,000 patient beds in more than 110 acute care facilities. We note that CareView still has the opportunity to double its installed units within its existing customer base, to continue adding acute care hospitals to its client list, and sizable opportunities for growth as it moves into other market segments in the healthcare system.

Exhibit 4: A Selection of CareView's Current Customers



Source: Company Reports

CareView's business model is based on providing its services for a monthly subscription fee with a relatively low cost of delivery:

- **Basic Package \$69.95** - Included in the monthly subscription are the fall and sitter management programs, mobile patient monitoring, BedView, equipment/installation, training and technical support, along with patient entertainment/education options.
- **Mobile Devices \$10.00-\$25.00** – The CareView Connect mobile app provides patient monitoring tools from handheld Android or iOS devices.
- **RFID \$7.95** – RFID tracking enables the CareView System to locate the hospital personnel and equipment throughout the hospital.
- **Nurse Station Monitor \$139.90** – This touch screen monitor displays video feeds inside a nurse station.

Applying this pricing structure to a sample contract for a 200-bed hospital that is equipped with RFID, 8 nurse stations and 33 mobile devices provides the following:

Exhibit 5: 200-bed Hospital Potential

200-bed Hospital Example	
Basic Package	\$13,990
8 Nurse Stations	1,119
Mobile Devices (33)	825
RFID	1,590
Monthly Revenue	\$17,524
Annual Revenue	\$210,290
Approx. Cost to Service (\$12/bed/mo.)	(28,800)
Cost of RFID tags (1x)	(500)
Annual Amortization of Capex (5-year Period w/ interest)	(47,520)
Net	\$133,470

Source: Company Reports, Stonegate Capital Partners

GROWTH STRATEGY

CareView's CEO, Steven Johnson, has implemented a disciplined and successful growth strategy with the initial focus on pursuing large for-profit hospital management companies that own multiple facilities and large not-for-profit integrated delivery networks in major metropolitan areas. The large organizations mean more beds that can produce higher recurring revenues and drive scale. The company has successfully penetrated the acute care hospital space and will next be targeting additional segments of the healthcare industry, including nursing homes and assisted living centers.

Building on its foundation in virtual monitoring, CareView is also in the process of developing an integrated patient monitoring system that can be managed through a centralized location in the hospital or remotely. As an early entrant, CareView could gain a solid foothold in the multi-billion dollar telemedicine-enabled hospital care market. Although telemedicine is projected to show substantial growth over the next several years, adoption of telemedicine has been slow to date, in part because of the upfront costs and lack of proof of ROI. CareView can mitigate these risks by layering newer products and services onto existing systems to increase connectivity and collaboration between healthcare providers and their patients.

CareView is continually bringing to market new products and service offerings, all of which are designed to increase connectivity within a facility, while expanding CareView’s revenue stream potential. The products detailed below are either newly released, or are expected to hit the market in the near term:

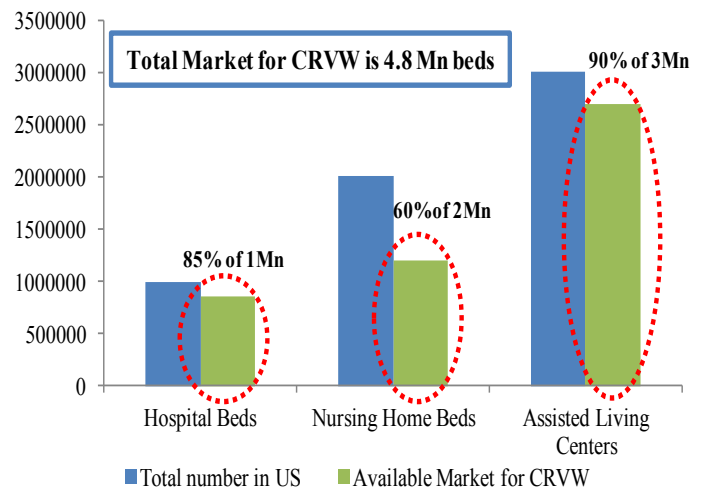
- **CareView Connect iOS App** - This app provides the same functionality of the existing Android-based CareView Connect mobile application that allows visual monitoring of the patient on mobile devices.
- **Asset Management and Tracking Module** - The company has expanded its RFID capabilities to enable hospitals to track patients, doctors and medical equipment in hospitals in real time.
- **Audible Distress Monitor and Alarm Module** – This monitors audio levels in the patient’s room and will raise an alarm if the patient is perceived to be in distress.
- **War Room Monitoring Application Module** - Many of the more technologically advanced hospitals have “war rooms” where all monitors are tracked in one place. This trend toward increased use of monitoring is a logical step in improving patient care. CareView is in the final stages of developing its War Room Monitoring Application Module that will provide surveillance and monitoring in a centralized location.
- **Infrared Thermal Imaging** - CareView’s research team is currently developing infrared thermal imaging capabilities to add to the CareView System that will provide remote tracking of a patient’s temperature and will monitor the patient’s positions to prevent bed ulcers.



As previously stated, the company continues to evolve to address another enormous market—telemedicine. AV solutions are the centerpiece of telemedicine systems that bridge the gap between healthcare professionals and patients with mobile, desktop or tablet devices with an Internet connection. According to Mordor Research, the global market for telemedicine is expected to be worth more than \$34 billion by the end of 2020, with North America accounting for 40% of the market.

A major catalyst driving all of these markets—Healthcare IT, AV and telemedicine—is the aging population. According to the Administration on Aging, the over-65 population will grow from 40 million in 2010 to 72.1 million in 2030. The aging population will drive demand in each of CareView’s target markets (hospitals, nursing homes and assisted living centers). The number of Americans currently living in senior care facilities is expected to double by 2030, and this increase in demand will fuel growth in nursing homes and assisted living centers. Additionally, by 2030, the elderly will account for more than twice as many hospital admissions as they do today per the National Center for Health Statistics. And the smaller “close to home” facilities are giving way to the trend of consolidation—creating larger, more profitable, more efficient hospitals that are able to afford cutting-edge technology, such as the CareView System.

Exhibit 6: Target Market Sizes



Source: Company Reports

Exhibit 6 summarizes CareView’s current market potential. There are currently 6.1 million beds hospital, nursing home and assisted living facilities in the United States, 4.8 million of which are potential CareView customers. Assuming an average monthly revenue stream of \$70 per bed, this equates to a potential market of \$336 million. This potential grows as more facilities are built to accommodate the aging population, and as CareView develops additional products and applications.

INDUSTRY OVERVIEW

The healthcare industry has reached an inflection point as providers look for ways to improve health outcomes while meeting cost constraints. These objectives are driving healthcare facilities to invest in technologies that reduce costs, reduce risks, and improve patient outcomes—goals that are often competing, rather than compatible. CareView’s solutions can satisfy all of these objectives.

CareView competes in the advanced audiovisual (AV) market and the healthcare IT markets. The healthcare market is the most high-growth sector of the AV market. According to InfoComm, the global healthcare professional AV market, which was \$4.6 billion in 2014, is forecast to reach \$5.7 billion in 2016. The AV industry has grown by providing effective communication between devices and people.

The same factors that are driving growth in the AV sector—reducing costs and improving patient outcomes—are driving growth in the healthcare IT market. Analysts at RNCOS forecast a CAGR of nearly 20% between 2014 and 2018 in the healthcare IT market. Recently, there has been a convergence of AV and IT systems, with the goal of creating seamlessly networked systems with a high level of security. CareView, with its wireless and hardwired components combined in an advanced hybrid system, is a clear example of a company that has successfully executed the IT/AV integration.

COMPETITION

CareView competes on its patented advanced technology and its proven record of quantifiable results. The company offers a comprehensive portfolio of products and services that is unique in the healthcare industry. The product portfolio comprises four main areas: clinical video monitoring and fall prevention, patient education and entertainment, patient flow, and mobile communications.

While there are a few companies that provide parts of the services offered, none provides the full range of services that CareView provides. Additionally, competing clinical applications are typically targeted at the ICU and not the general hospital population, and they often require a large upfront capital expenditure commitment and IT integration. It is a significant competitive advantage that the CareView System uses the hospital's existing infrastructure, with no upfront cost for installation.

The five issued and nine pending patents are comprehensive with most of the patents protecting the Virtual Bed Rails and the SitterView systems, the company's critical anchor programs. Importantly, the patents also cover the network architecture over a coaxial cable system, which is a strong deterrent to competitors. The patent portfolio represents a formidable barrier to entry against would-be entrants into the company's markets.

RISKS

Adoption of technology - CareView's unique technology replaces existing methods and some existing low-tech solutions to patient care. As these existing methods and solutions have been in existence for decades, it may take time to convince hospital staff of CareView's solutions. Additionally, because the system is a video monitoring system, privacy issues may arise where medical staff or patients may provide resistance. Patients may opt out of using the company's video monitoring system and consequently, healthcare facilities may not experience the full benefit of the system.

Execution of business plan - The company began operations of its current business plan in 2007 and has yet to attain a level of revenue that provides breakeven results. As of September 2015, it has an accumulated deficit of \$103 M. Additionally, the company has not reported positive cash flow from operations since its inception.

Customer concentration - For FY14, 91 hospitals accounted for all of the company's revenue. Of these, three hospitals generated approximately 49%, 21% and 12% of the revenues. The loss of any one of these hospitals would cause a material adverse effect.

Dilution potential - First, as most recently reported, there are of approximately 245M shares of CRVW on a total potential dilution basis. Next, it is probable that the company will need to raise additional capital given its early growth stage. While the company does have a \$40M revolver of which \$20M has been drawn down recently, any future share issuances could further add to dilution. And lastly, the Company has a history of providing warrants as compensation for services provided, and should it continue with this practice, dilution could be further increased.

Exhibit 7: CRVW's Current Potential Dilution

CAREVIEW CAPITAL STRUCTURE - September 30, 2015		
(In millions)		
Debt:		
HealthCor Senior Secured Convertible Notes		\$49.7
	27.6M shares @ \$1.25/share; mature Apr 2021	
	6.3M shares @ \$1.25/share; mature Jan 2022	
	15.4M shares @ \$0.40/share; mature Jan 2024	
	2.1M shares @ \$0.52/share; mature Feb 2025	
	(Total conversion of approx. 51.4M shares)	
Other Convertible Notes		5.4
	10.4M shares @ \$0.52/share; mature Feb 2025	
Notes Payable		0.4
Mandatorily Redeemable Equity in JV		0.4
Total Debt at 9/30/15		55.9
PDL BioPharma, Inc. Tranche 1	(Drawn subsequent to end of 9/30/15)	20.0
TOTAL DEBT	(As of 10/07/15)	\$75.9
Equity:		
Preferred Stock - none outstanding		
Common Stock		139.38
Warrants	Balance (avg. price \$0.86)	35.05
Options	Balance (avg. price \$0.61) Vested (3.94M - avg. price \$0.74)	9.61
Convertible Debt		61.79
TOTAL POTENTIAL DILUTION		245.83

Source: Company Reports, Stonegate Capital Partners

CareView Communications (OTCQB: CRVW)
Consolidated Balance Sheets (in thousands \$)
Fiscal Year: December

	FY 2012	FY 2013	FY 2014	Q315
Current Assets:				
Cash	\$5,414	\$4,125	\$2,546	\$3,833
Accounts Receivable, net	368	305	680	976
Other Current Assets	194	166	277	311
Total Current Assets	5,976	4,596	3,503	5,120
Property and Equipment, net	7,862	6,365	5,345	4,777
Other Assets:				
Intangible Assets, net	209	253	261	305
Other Assets	2,020	1,224	833	3,130
Total Other Assets	2,229	1,477	1,094	3,435
Total Assets	\$16,067	\$12,438	\$9,942	\$13,332
Current Liabilities:				
Accounts Payable	\$166	\$415	\$245	\$412
Notes Payable	411	0	0	442
Mandatorily Redeemable Equity in JVs	411	0	0	442
Revolving Line of Credit	0	982	0	0
Accrued Interest	60	127	192	246
Other Current Liabilities	803	539	789	1,010
Total Current Liabilities	1,851	2,063	1,226	2,552
Long-term Liabilities:				
Senior Secured Convertible Notes, net	10,603	15,207	22,835	32,665
Notes Payable	0	442	442	0
Mandatorily Redeemable Equity in JVs	0	442	442	0
Lease Liability, net	26	9	0	0
Fair Value of Warrant Liability	0	371	302	268
Total Long-term Liabilities	10,629	16,471	24,021	32,933
Total Liabilities	12,480	18,534	25,247	35,485
Stockholders' Deficit				
Preferred Stock	0	0	0	0
Common Stock	133	139	139	139
Additional Paid In Capital	67,224	71,202	76,504	81,228
Accumulated Deficit	(63,440)	(77,059)	(91,511)	(103,034)
Total Stockholders' Deficit	3,917	(5,718)	(14,868)	(21,667)
Noncontrolling Interest	(330)	(378)	(437)	(486)
Total Stockholders' Deficit	3,587	(6,096)	(15,305)	(22,153)
Total Liabilities and Stockholders' Deficit	\$16,067	\$12,438	\$9,942	\$13,332

CareView Communications (OTCQB: CRVW)
Consolidated Statements of Income (in thousands \$, except per share amounts)
Fiscal Year: December

	FY 2012	FY 2013	FY 2014	9 mo. - Q315
Revenues				
Revenues	\$1,630	\$2,069	\$3,061	\$3,655
Total revenues	1,630	2,069	3,061	3,655
Operating expenses				
Network operations	2,906	2,477	3,387	3,350
General and administrative	4,808	3,038	3,283	2,616
Sales and marketing	1,927	999	676	594
Research and development	951	860	843	816
Depreciation and amortization	2,113	1,612	1,651	1,296
Total operating expenses	12,705	8,986	9,840	8,672
Operating income (loss)	(11,075)	(6,917)	(6,779)	(5,017)
Other income (expense)				
Interest expense	(7,670)	(7,070)	(7,819)	(6,540)
Change in fair value of warrant liability	0	302	69	(34)
Interest income	5	3	4	3
Other income/(expense)	134	14	15	16
Total other income (expense)	(7,531)	(6,751)	(7,731)	(6,555)
Net income (loss)	(18,606)	(13,668)	(14,510)	(11,572)
Net income (loss) attributable to non-controlling interest	(103)	(49)	(58)	(49)
Net income (loss) attributable to company	(\$18,503)	(\$13,619)	(\$14,452)	(\$11,523)
Basic EPS (loss)	(\$0.14)	(\$0.10)	(\$0.10)	(\$0.08)
Diluted EPS (loss)	(\$0.14)	(\$0.10)	(\$0.10)	(\$0.08)
Basic common shares outstanding	132,122,958	137,197,217	139,120,996	139,380,748
Diluted common shares outstanding	132,122,958	137,197,217	139,120,996	139,380,748
EBITDA	(\$8,962)	(\$5,305)	(\$5,128)	(\$3,721)

VALUATION SUMMARY

CareView Communications, Inc. is providing the next generation in medical technology to the marketplace. Initially, the company is targeting the hospital segment of the total population (850,000 of the total 4.8M), which will eventually be expanded to include nursing homes, assisted living centers, and VA/DoD facilities.

We have included a 5-year scenario analysis below in order to shed some light on potential valuation. Our base case scenario results in a price per share range of \$1.13 - \$2.24 and includes the following assumptions:

- An initial target market in the U.S. of 850,000 hospital beds
- An 18% market penetration in 2019, which equates to 153,000 billable beds
- A 2% annual churn of clients (contracts are typically 3 – 5 years in length)
- An ASP increasing to \$110 per bed by 2019
- A 40% EBITDA margin

It is important to note that nursing homes and assisted living centers have not been incorporated into our assumptions at this point; when combined, these markets offer approximately 5x as many beds as the hospital market alone.

CareView's cost structure is relatively low and fixed, and as more clients are added to the network and as those clients add more services, CareView should see fairly quick margin expansion. As detailed below, the selected EBITDA metrics are in line with other subscription model companies in cable, wireless, as well as other industries.

Exhibit 8: EBITDA Margins and EV/EBITDA 2005 – 2014 Averages

CABLE		EBITDA	EV/EBITDA
Comcast Corporation	CMCS.A	35.9	7.8x
Charter Communications, Inc.	CHTR	35.4	10.1x
Time Warner Cable, Inc.	TWC	35.6	7.5x
Dish Network Corp.	DISH	23.6	7.9x
TELCO/WIRELESS			
Verizon Communications, Inc.	VZ	31.8	6.0x
AT&T, Inc.	T	28	7.1x
Sprint Corporation	S	19.7	2.5x
Synaxon AG	PCS	9.9	15.4x
OTHER			
EchoStar Corp.	SATS	19.4	6.3x
Netflix, Inc.	NFLX	8.8	43.8x
The ADT Corporation	ADT	45.1	2.8x

Source: Capital IQ, Stonegate Capital Partners

We expect that in all scenarios, the company should begin showing positive EBITDA in FY 2016, and that within approximately two years, CareView would be in a better position to obtain more traditional lending at a lower rate than currently offered under the PDL loan (Tranche 1 bears an annual rate of 13.5%). Within four years, the company should turn cash flow positive based on our calculations, which we note supports the significant outlay in the interim to grow the number of installed units.

With CareView currently trading at \$0.30 per share, our analysis demonstrates clearly the upside for investors should the company continue to execute on its business plan as it further penetrates the sizable healthcare market segments.

Our below, base and above case results are summarized in Exhibit 9, with supporting detail on the following page.

Exhibit 9: Valuation Scenario Analysis

Below Base		EV/ EBITDA Multiple				
Discount rate		4.0x	8.0x	12.0x	16.0x	20.0x
	10.0%		\$0.29	\$0.56	\$0.83	\$1.10
15.0%		\$0.24	\$0.46	\$0.69	\$0.91	\$1.14
20.0%		\$0.20	\$0.39	\$0.58	\$0.76	\$0.95

Base Case		EV/ EBITDA Multiple				
Discount rate		4.0x	8.0x	12.0x	16.0x	20.0x
	10.0%		\$0.69	\$1.36	\$2.03	\$2.70
15.0%		\$0.57	\$1.13	\$1.68	\$2.24	\$2.79
20.0%		\$0.48	\$0.94	\$1.41	\$1.87	\$2.33

Above Base		EV/ EBITDA Multiple				
Discount rate		4.0x	8.0x	12.0x	16.0x	20.0x
	10.0%		\$1.18	\$2.34	\$3.50	\$4.66
15.0%		\$0.98	\$1.94	\$2.90	\$3.86	\$4.82
20.0%		\$0.82	\$1.62	\$2.42	\$3.22	\$4.03

Source: Stonegate Capital Partners

VALUATION MODEL FOR THE YEAR 2019

(in thousands)	2013	2014	2015 E	2016 E	2017 E	2018 E	2019 E
Hospital mrkt (1)	850	850	850	850	850	850	850
Grw rate		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Below Base Case							
Mrkt penetration	0.39%	0.62%	1.00%	1.76%	3.00%	5.00%	8.00%
Billable beds (2)	3.3	5.3	8.5	15.0	25.5	42.5	68.0
Grw rate		59.9%	61.4%	76.5%	70.0%	66.7%	60.0%
Gross adds		2.0	3.2	6.5	10.5	17.0	25.5
Churn		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Net adds		2.0	3.1	6.3	10.2	16.5	24.7
Base	3.3	5.3	8.4	14.7	24.9	41.4	66.1
Base, avg	3.3	4.3	6.8	11.6	19.8	33.2	53.8
ARPU/monthly (3)			\$ 75.00	\$ 80.00	\$ 90.00	\$ 100.00	\$ 110.00
Service revenues			\$ 6,147	\$ 11,098	\$ 21,416	\$ 39,820	\$ 70,975
Base Case							
Mrkt penetration	0.39%	0.62%	1.04%	2.35%	5.00%	10.00%	18.00%
Billable beds (2)	3.3	5.3	8.8	20.0	42.5	85.0	153.0
Grw rate		59.9%	67.1%	127.3%	112.5%	100.0%	80.0%
Gross adds		2.0	3.5	11.2	22.5	42.5	68.0
Churn		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Net adds		2.0	3.4	11.0	22.1	41.7	66.3
Base	3.3	5.3	8.7	19.7	41.8	83.5	149.8
Base, avg	3.3	4.3	7.0	14.2	30.8	62.7	116.7
ARPU/monthly (3)			\$ 75.00	\$ 80.00	\$ 90.00	\$ 100.00	\$ 110.00
Service revenues			\$ 6,282	\$ 13,639	\$ 33,235	\$ 75,190	\$ 153,985
Above Base Case							
Mrkt penetration	0.39%	0.62%	1.06%	2.94%	7.50%	15.00%	28.00%
Billable beds (2)	3.3	5.3	9.0	25.0	63.8	127.5	238.0
Grw rate		59.9%	70.9%	177.8%	155.0%	100.0%	86.7%
Gross adds		2.0	3.7	16.0	38.8	63.8	110.5
Churn		0.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Net adds		2.0	3.6	15.8	38.3	62.5	108.0
Base	3.3	5.3	8.9	24.7	63.0	125.5	233.5
Base, avg	3.3	4.3	7.1	16.8	43.8	94.2	179.5
ARPU/monthly (3)			\$ 75.00	\$ 80.00	\$ 90.00	\$ 100.00	\$ 110.00
Service revenues			\$ 6,372	\$ 16,134	\$ 47,352	\$ 113,061	\$ 236,885

EBITDA MARGIN SCENARIOS APPLIED TO 2019 REVENUES

	Below Base	Base Case	Above Base
EBITDA Margin	35%	40%	45%
EBITDA	\$24,841	\$61,594	\$106,598

(1) The hospital market is the company's initial focus and only one segment of a 4.8M potential market

(2) There can be a 1-3 month lag between installation and payment

(3) 1 RCP @ ~\$65 & Nurse station ASP per bed is ~\$5/RCP (1 Nurses station per 20 beds) per 2015 data; resulting revenues differ from Income Statement, which includes actuals Q1 - Q315

CORPORATE GOVERNANCE

Steven G. Johnson - Chief Executive Officer, President, Secretary, Treasurer and Director - Mr. Johnson serves as Chief Executive Officer, President, Secretary, Treasurer and Director. Mr. Johnson has over 20 years of experience in the cable and wireless business. Before joining CareView in 2006, he served as Chief Executive Officer of Cadco Systems, a manufacturer of CATV and telecommunications equipment from 1997. From February 1991 to February 1996, he served as CEO, President and Director of American Wireless Systems, which he restructured and sold to Heartland Wireless Communications. Mr. Johnson also served as founder and President of Hanover Systems, a manufacturer of telecommunications equipment. Mr. Johnson has been actively involved with the wireless cable industry since 1984 and has served on the board of directors of the Wireless Cable Association and its FCC regulatory committee. Mr. Johnson developed various electronic telecommunications equipment for the wireless cable industry including microwave downconverters, wireless cable set top converters, antennas, and transmitters. Mr. Johnson's accumulated knowledge in the field of technology, coupled with his development of patentable technology, makes him an invaluable member of the CareView management team. Mr. Johnson earned his BA in Economics and Business Administration from Simpson College and currently serves as a Trustee on the Simpson College Board of Trustees.

Sandra McRee – Chief Operating Officer – Ms. McRee joined CareView as Chief Operating Officer effective November 1, 2013. She most recently served as the Vice Chair of the Board of Directors of IASIS Healthcare Corporation (“IASIS”) from April 2010 until October 2011. Previously, she served as Chief Operating Officer of IASIS from May 2001 until October 2010, and President from May 2004 to April 2010. At IASIS, she was responsible for overseeing all aspects of IASIS's hospital operations and was responsible for overseeing clinical systems; developing an appropriate mix of quality services, physician relationships, effective staffing and supply utilization; and managing capital investments related to operations. From April 1999 through May 2001, Ms. McRee was Regional Vice President for Province Healthcare Corporation where she oversaw five facilities in Florida, Louisiana and Mississippi. Ms. McRee has more than 35 years of healthcare management experience and has spent her entire professional career in the healthcare industry.

Allen Wheeler - Chairman of the Board – Mr. Wheeler has been with the company since January 2006. He has been involved with the healthcare field for more than 45 years. As a private investor, Mr. Wheeler owned and operated nursing homes and ambulance services, in addition to owning businesses in multiple diverse industries outside of the healthcare arena, including real estate, cable, TV and radio stations, lodging, banking and ranching.

Jeff Lightcap – Director - Mr. Lightcap is Senior Managing Director at HealthCor Partners a part of HealthCor Group, one of the largest healthcare investment management companies in the United States, managing more than \$3 billion of assets. Prior to joining HealthCor, Mr. Lightcap held senior level positions with JLL Partners, Merrill Lynch & Co., Didder, Peabody & Company and Saloman Brothers.

Jason Thompson – Director – Mr. Thompson is an attorney who is involved with mergers and acquisitions with Michael Best & Friedrich LLP. He specializes in structuring transactions, including corporate reorganizations, buyouts and venture capital investments. He is also President of Thompson Family Holdings, LLC, a company that consults for and invests in multiple healthcare companies. Mr. Thompson is also a Certified Public Accountant and was a senior auditor with Arthur Anderson.

David White – Director – Mr. White has an extensive background in the healthcare industry. He is currently Chairman of the Board of IASIS, and also served as IASIS, Chief Executive Officer from 2000-2010. He was President and Chief Executive Officer of LifeTrust, an assisted living company, and President of the Atlantic Group at Columbia/HCA, where he oversaw 45 hospitals. He has also served as Chief Operating Officer at Community Health Systems, Inc.

Steven Epstein – Director - Mr. Epstein is the founder of Epstein, Becker and Green, a law firm in the healthcare industry with 250 lawyers in 10 cities. Prior to founding the law firm, Mr. Epstein was a legal consultant to the Health Maintenance Organization Service, Health Services and Mental Health Administration, and U.S. Department of Health, Education and Welfare.

Dr. James Higgins – Director – Dr. Higgins is an accomplished cardiologist, with sub specialties in nuclear cardiology, electrophysiology, invasive cardiology, cardiac CT angiography, echocardiography, carotid and peripheral sonography, pacemakers and defibrillators. In addition to his cardiology practice, Dr. Higgins has founded a real estate company, an oil pipeline supply company, an electronic medical billing company, and owns a cattle ranch. He is the author of more than 300 peer review articles and holds multiple patents on medical devices.

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