

Apollo Medical Holdings Reports 30% Revenue Growth Year Over Year For Fiscal Year End 2017

GLENDAL, Calif., June 29, 2017 /PRNewswire/ --**Apollo Medical Holdings, Inc.** ("ApolloMed" or "the Company") (OTC: AMEH), an integrated population health management company, today announced its fiscal year 2017 financial results for the year ended March 31, 2017.

Financial Highlights for the Year Ended March 31, 2017:

- Net revenue of \$57.4 million, an increase of 30% as compared to \$44.0 million in the comparable period of 2016.
- Loss from operations of \$10.5 million as compared to \$7.3 million in the comparable period of 2016. The loss in FY 2017 was primarily driven by the Company's capital investment in its population health management infrastructure for its Next Generation ACO, legal and transactional expenses related to the pending merger with Network Medical Management, Inc., and costs related to the temporary use of locum tenens physicians for new hospitalist contracts.
- As of March 31, 2017, the Company had total assets of \$20.4 million, including cash and cash equivalents of \$8.7 million.

Select Operational Highlights for Fiscal Year 2017 included:

- In December 2016, the Company entered into a definitive merger agreement with Network Medical Management, Inc. ("NMM"), one of the largest healthcare Management Services Organizations (MSOs) in the United States. Under the terms of the merger agreement, NMM shareholders are expected to own 82% and ApolloMed shareholders are expected to own 18% of issued and outstanding shares of ApolloMed at closing, which is expected to be approximately 80% and 20% respectively on a fully diluted basis.
- In January 2017, one of the Company's subsidiaries, APA ACO, Inc. was selected to participate in the Centers for Medicare & Medicaid Services' ("CMS") Next Generation ACO Model. APA ACO was approved to participate in the All-Inclusive Population-Based Payment ("AIPBP") track, which is the most advanced risk-taking payment model, and is the only Next Generation ACO in the country out of 44 which is participating in the AIPBP track.
- In November 2016, an affiliate of the Company acquired Bay Area Hospitalist Associates ("BAHA"), a hospitalist, intensivist and post-acute care practice with a presence at four hospitals and several skilled nursing facilities in San Francisco. BAHA had previously been a variable interest entity of ApolloMed.

Status of the Pending Merger with Network Medical Management:

- ApolloMed and NMM filed their premerger Hart-Scott-Rodino notifications with the

Federal Trade Commission on June 7, 2017. This is one of the specified conditions to which closing of the merger is subject.

- ApolloMed is working diligently on completing and filing the merger Form S-4 with the Securities and Exchange Commission ("SEC").
- The merger is expected to be consummated in the second half of calendar year 2017.

Status of the Next Generation ACO:

- APA ACO began operations on January 1, 2017 with 32,000 Medicare patients and is leveraging its risk-management infrastructure.
- The AIPBP operations started on April 1, 2017 and have been generating approximately \$9.3 million per month in revenues for APA ACO.
- APA ACO has been paying Part A and Part B claims since April 2017.

"The shift from fee-for-service to value-based contracts is accelerating nationally," stated Warren Hosseinian, Chief Executive Officer of Apollo Medical Holdings. "Our company is well-positioned to facilitate the adoption of valued-based contracting and the optimization of clinical and financial metrics across the entire continuum of care. We believe there are very few companies who are delivering a comparable breadth of both clinical and advanced technology capabilities in population health management."

"We are pleased with our 30% year-over-year revenue growth while investing in two transformative corporate initiatives in FY 2017," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings. "We aim to be at the forefront of emerging U.S. healthcare models where companies provide high-quality clinical expertise and medical management at a cost-effective price. We expect to provide more information in both our upcoming Q1 FY 2018 Form 10-Q and Form S-4 filings."

For more details on ApolloMed's 2017 fiscal year end results, please refer to the Company's 10-K filed with the U.S. Securities Exchange Commission and accessible at www.sec.gov.

Unaudited Financial Tables

APOLLO MEDICAL HOLDINGS, INC.
UNAUDITED CONSOLIDATED BALANCE SHEETS

	March 31,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 8,664,211	\$ 9,270,010
Accounts receivable, net of allowance for doubtful accounts of \$475,080 and \$601,000 at March 31, 2017 and 2016, respectively	5,506,472	3,392,941
Other receivables	464,085	581,213
Due from Affiliates	18,314	20,505
Prepaid expenses and other current assets	269,168	293,828
Total current assets	14,922,250	13,558,497
Deferred financing costs, net	-	37,926
Property and equipment, net	1,205,139	1,247,973
Restricted cash	765,058	530,000
Intangible assets, net	1,904,269	2,353,212
Goodwill	1,622,483	1,622,483
Other assets	225,358	216,442
TOTAL ASSETS	\$ 20,644,557	\$ 19,566,533
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 7,883,373	\$ 4,572,307
Medical liabilities	1,768,231	2,670,709
Convertible note payable, net of debt issuance cost of \$161,000	4,829,000	-
Lines of credit	62,500	188,764
Total current liabilities	14,543,104	7,431,780
Note payable – related party	5,000,000	-
Warrant liability	-	2,811,111
Deferred rent liability	747,418	728,877
Deferred tax liability	83,667	43,479
Total liabilities	20,374,189	11,015,247
MEZZANINE EQUITY		
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series B Preferred stock); 1,111,111 issued and outstanding as of March 31, 2016, Liquidation preference of \$9,999,999 at March 31, 2016	-	7,077,778
STOCKHOLDERS' EQUITY		
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series B Preferred stock); 1,111,111 issued and outstanding as of March 31, 2017, Liquidation preference of \$9,999,999 at March 31, 2017	7,077,778	-
Series B Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series A Preferred stock) 555,555 issued and outstanding as of March 31, 2017 and 2016, Liquidation preference of \$4,999,995 at March 31, 2017 and 2016	3,884,745	3,884,745
Common stock, par value \$0.001; 100,000,000 shares authorized, 6,033,518 and 5,876,852 shares issued and outstanding at March 31, 2017 and 2016, respectively	6,033	5,876
Additional paid-in capital	26,331,948	23,524,517
Accumulated deficit	(37,654,381)	(28,684,565)
Stockholders' deficit attributable to Apollo Medical Holdings, Inc.	(353,877)	(1,269,427)
Noncontrolling interest	624,245	2,742,935
Total stockholders' equity	270,368	1,473,508
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY	\$ 20,644,557	\$ 19,566,533

APOLLO MEDICAL HOLDINGS, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	For The Years Ended March 31, 2017	2016
Net revenues	\$ 57,427,701	\$ 44,048,740
Costs and expenses:		
Cost of services	48,735,537	34,000,786
General and administrative	18,583,372	16,962,687
Depreciation and amortization	645,742	351,396
Total costs and expenses	67,964,651	51,314,869
Loss from operations	(10,536,950)	(7,266,129)
Other income (expense) :		
Interest expense	(82,905)	(542,296)
Gain (loss) on change in fair value of warrant and conversion feature liabilities	1,633,333	(408,692)
Gain on deconsolidation of variable interest entity	242,411	-
Loss on debt extinguishment	-	(266,366)
Other income	14,701	239,057
Total other income (expense), net	1,807,540	(978,297)
Loss before benefit from income taxes	(8,729,410)	(8,244,426)
Benefit from income taxes	(47,495)	(71,037)
Net loss	(8,681,915)	(8,173,389)
Net income attributable to noncontrolling interests	287,901	1,170,655
Net loss attributable to Apollo Medical Holdings, Inc.	\$ (8,969,816)	\$ (9,344,044)
Net loss per share:		
Basic and diluted	\$ (1.49)	\$ (1.79)
Weighted average shares of common stock outstanding:		
Basic and diluted	6,001,680	5,212,927

About Apollo Medical Holdings, Inc. (ApolloMed)

Founded in 2001 and headquartered in Glendale, California, ApolloMed is a leading integrated population health management company committed to providing exceptional multi-disciplinary care in the communities it serves. ApolloMed is addressing the healthcare needs of its patients by leveraging its integrated healthcare delivery platform comprised of: ApolloMed Hospitalists, APA ACO (Next Generation ACO), ApolloMed ACO (MSSP Accountable Care Organization), Maverick Medical Group (Independent Physician Association), Apollo Care Connect and Apollo Palliative Services. ApolloMed strives to improve medical outcomes with high-quality, cost-efficient care. For more information, please visit www.apollomed.net

Forward Looking Statements

This press release contains certain forward-looking statements. These forward-looking statements, which are included in accordance with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, may involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results and performance in future periods to be materially different from any future results or performance suggested by the forward-looking statements in this press release. Although the Company believes the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that actual results will not

differ materially from these expectations, and the Company disclaims any duty to update any forward-looking statements made by the Company. From time to time, these risks, uncertainties and other factors are discussed in the Company's filings with the Securities and Exchange Commission.

FOR MORE INFORMATION, PLEASE CONTACT:

Devin Sullivan	- or -	Gary Augusta
Senior Vice President		Executive Chairman
The Equity Group		Apollo Medical Holdings
(212) 836-9608		(818) 839-5200
dsullivan@equityny.com		gaugusta@apolloed.net

To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/apollo-medical-holdings-reports-30-revenue-growth-year-over-year-for-fiscal-year-end-2017-300481954.html>

SOURCE Apollo Medical Holdings, Inc.