

Apollo Medical Holdings Reports 47% Revenue Growth Year Over Year For The 3rd Quarter Of Fiscal Year 2017

Revenue of \$15.7 million, a 7% Increase from the Previous Quarter

GLENDAL, Calif., Feb. 14, 2017 /PRNewswire/ -- **Apollo Medical Holdings, Inc.** ("ApolloMed" or "the Company") (OTC: AMEH), an integrated population health management company, today announced its Fiscal Year 2017 3rd Quarter financial results for the three months ended December 31, 2016.

Financial Highlights for the Three Months Ended December 31, 2016 Compared to the Three Months Ended December 31, 2015 (unaudited):

- Net revenue of \$15.7 million, an increase of 47% as compared to \$10.7 million in the comparable period of 2015.
- Loss from operations of \$1.7 million as compared to \$1.5 million loss in the comparable period of 2015. The losses were driven by the Company's continued capital investment in its population health management infrastructure and personnel for its Next Generation ACO, as well as costs related to its definitive merger agreement with Network Medical Management, Inc., which was announced on December 22, 2016.
- On December 31, 2016, the Company had total assets of \$16.8 million, including cash and cash equivalents of \$4.0 million. This does not include the \$5 million note from Network Medical Management received in January 2017.

Financial Highlights for the Nine Months Ended December 31, 2016 Compared to the Nine Months Ended December 31, 2015 (unaudited):

- Net revenue of \$42.7 million, an increase of 32% as compared to \$32.2 million in the comparable period of 2015.
- Loss from operations of \$5.6 million as compared to \$3.5 million loss in the comparable period of 2015.

"We are pleased with our continued year-over-year and quarter-over-quarter revenue growth, as we lay the foundation for future growth," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings. "The strategic investments we have made in our population health management infrastructure continue to provide unique opportunities for the Company and our shareholders. We believe these investments will be further enhanced by the merger between ApolloMed and Network Medical Management, which is expected to be completed in the first half of this year."

"We believe the Company is well positioned for the accelerated transition in the U.S. healthcare system from fee-for-service to value-based reimbursements," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings. "We are also pleased with our

enhanced balance sheet, including our positive total stockholder's equity of \$5.7 million."

For more details on ApolloMed's 2017 Fiscal Year 3rd Quarter results, please refer to the Company's 10-Q filed with the U.S. Securities Exchange Commission and accessible at www.sec.gov.

**APOLLO MEDICAL HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)**

	December 31, 2016	March 31, 2016
ASSETS		
Cash and cash equivalents	\$ 3,988,565	\$ 9,270,010
Accounts receivable, net of allowance for doubtful accounts of \$762,000 and \$601,000 at December 31, 2016 and March 31, 2016, respectively	5,985,903	3,392,941
Other receivables	313,507	581,213
Due from affiliates	18,314	20,505
Prepaid expenses and other current assets	499,150	293,828
Total current assets	10,805,439	13,558,497
Deferred financing costs	-	37,926
Property and equipment, net	1,301,914	1,247,973
Restricted cash	765,000	530,000
Intangible assets, net	2,067,737	2,353,212
Goodwill	1,622,483	1,622,483
Other assets	221,987	216,442
TOTAL ASSETS	\$ 16,784,560	\$ 19,566,533
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY		
Accounts payable and accrued liabilities	\$ 7,819,384	\$ 4,572,307
Medical liabilities	1,781,208	2,670,709
Note payable, net of debt discount of \$5,733	394,267	-
Lines of credit	234,264	188,764
Total current liabilities	10,229,123	7,431,780
Warrant liability	-	2,811,111
Deferred rent liability	814,348	728,877
Deferred tax liability	43,479	43,479
Total liabilities	11,086,950	11,015,247
COMMITMENTS AND CONTINGENCIES AND SUBSEQUENT EVENTS		
MEZZANINE EQUITY		
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series B); 1,111,111 issued and outstanding	\$ -	\$ 7,077,778
STOCKHOLDERS' EQUITY		
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series B); 1,111,111 issued and outstanding Liquidation preference of \$9,999,999	\$ 7,077,778	\$ -
Series B Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series A); 555,555 issued and outstanding Liquidation preference of \$4,999,995	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 as of December 31, 2016 and March 31, 2016, respectively	6,033	5,876
Additional paid-in-capital	25,908,699	23,524,517
Accumulated deficit	(33,090,937)	(28,684,565)

Stockholders' equity (deficit) attributable to Apollo Medical Holdings, Inc.		
	3,786,318	(1,269,427)
Non-controlling interest		
	1,911,292	2,742,935
Total stockholders' equity	5,697,610	1,473,508
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY	\$ 16,784,560	\$ 19,566,533

APOLLO MEDICAL HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2016	2015	2016	2015
Net revenues	\$ 15,674,876	\$ 10,659,708	\$ 42,669,205	\$ 32,233,441
Costs and expenses				
Cost of services	12,715,864	8,463,541	35,020,052	24,295,598
General and administrative	4,485,932	3,510,045	12,777,736	11,187,891
Depreciation and amortization	148,934	145,594	484,147	287,029
Total costs and expenses	17,350,730	12,119,190	48,281,935	35,770,518
Loss from operations	(1,675,854)	(1,459,472)	(5,612,730)	(3,537,077)
Other (expense) income				
Interest expense	(9,993)	(100,983)	(15,706)	(530,203)
Change in fair value of warrant and conversion feature liabilities	300,000	430,396	1,633,333	313,530
Loss on debt extinguishment	-	(266,364)	-	(266,364)
Other income (expense)	888	(100,344)	13,419	(94,431)
Total other income (expense), net	290,895	(37,295)	1,631,046	(577,468)
Loss before provision for (benefit from) income taxes	(1,384,959)	(1,496,767)	(3,981,684)	(4,114,545)
Provision for (benefit from) income taxes	99,516	36,196	(127,077)	(57,251)
Net loss	(1,484,475)	(1,532,963)	(3,854,607)	(4,057,294)
Net income attributable to noncontrolling interest	(248,231)	(152,648)	(551,765)	(642,050)
Net loss attributable to Apollo Medical Holdings, Inc.	<u>\$ (1,732,706)</u>	<u>\$ (1,685,611)</u>	<u>\$ (4,406,372)</u>	<u>\$ (4,699,344)</u>
Net loss per share:				
Basic and diluted	<u>\$ (0.29)</u>	<u>\$ (0.31)</u>	<u>\$ (0.74)</u>	<u>\$ (0.93)</u>
Weighted average number of shares of common stock outstanding:				
Basic and diluted	<u>6,033,518</u>	<u>5,365,563</u>	<u>5,991,260</u>	<u>5,031,389</u>

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, ApolloMed ACO (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 may contain forward-looking statements, including information about management's view of Apollo Medical Holdings, Inc. ("the Company") future expectations, plans and prospects. In particular, when used in the preceding discussion, the words "believes," "expects," "intends," "plans," "anticipates," or "may," and similar conditional expressions are intended to identify forward-looking statements. Any statements made in this press release other than those of historical fact, about an action, event or development, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause the results of the Company, its subsidiaries and concepts to be materially different than those expressed or implied in such statements. Unknown or unpredictable factors also could have material adverse effects on the Company's future results. Some factors that could cause actual results to differ materially from those indicated by such forward-looking statements are set forth in the Company's Annual Report on our Form 10-K for the fiscal year ended March 31, 2016, under the caption "Risk Factors", which is on file with the Securities and Exchange Commission and available in the "Investor" section of the Company's website under the heading "SEC Filings". The forward-looking statements included in this press release are made only as of the date hereof. The Company cannot guarantee future results, levels of activity, performance or achievements. Accordingly, you should not place undue reliance on these forward-looking statements. Finally, the Company undertakes no obligation to update these statements after the date of this release, except as required by law.

For More Information, PLEASE CONTACT:

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