

# Apollo Medical Holdings Reports 11% Quarter Over Quarter Revenue Growth For The 2nd Quarter Of Fiscal Year 2016

## Revenue of \$11.4 million, an 11% Increase from the Previous Quarter

GLENDALE, Calif., Nov. 17, 2015 /PRNewswire/ -- [Apollo Medical Holdings, Inc.](#) ("ApolloMed" or "the Company") (AMEH), an integrated population health management company, today announced its Fiscal Year 2016 Q2 financial results for the three months ended September 30, 2015.

### Financial Highlights for the Three Months Ended September 30, 2015 Compared to the Three Months Ended September 30, 2014 (unaudited):

- Net revenue of \$11.4 million as compared to \$11.7 million in the comparable period of 2014. The prior period results benefited from revenue of \$5.4 million received from the Centers for Medicare and Medicaid Services ("CMS") under the Medicare Shared Savings Program.
- Loss from operations of \$413,000 compared to income from operations of \$1.86 million in the comparable period of 2014. The prior year period benefited from \$5.4 million received from CMS under the Medicare Shared Savings Program.
- On September 30, 2015, the Company had total assets of \$13.6 million, including cash and cash equivalents of \$3.9 million

### Financial Highlights for the Six Months Ended September 30, 2015 Compared to the Six Months Ended September 30, 2014 (unaudited):

- Net revenue of \$21.6 million compared to \$15.8 million in the comparable prior year period, an increase of 37%.
- Loss from operations of \$2.1 million compared to income of \$672,000.

### Sequential Financial Highlights for the Three Months Ended September 30, 2015 Compared to the Three Months Ended June 30, 2015 (unaudited):

- Net revenue of \$11.4 million, an increase of 11% from \$10.2 million in prior quarter period of 2015, attributable to the growth of Maverick Medical Group and Apollo Palliative Services.
- Loss from operations of \$413,000 compared to a loss of \$1.7 million in prior quarter period of 2015, attributable to continued cost efficiency measures within the company.

"We are pleased with our third consecutive quarter of sequential revenue growth. Our quarterly revenue has increased sequentially from \$7.6 million for the three months ended December 31, 2014 to \$11.4 million for the three months ended September 30, 2015," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings. "Additionally, on October 14, 2015 we secured a strategic investment of \$10 million from

Network Medical Management, Inc. which strengthened our balance sheet and positions us well for continued growth."

For more details on ApolloMed's 2016 fiscal year second quarter results, please refer to the Company's 10-Q filed with the U.S. Securities Exchange Commission and accessible at [www.sec.gov](http://www.sec.gov).

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

<b>ASSETS</b>	<b>September 30, 2015</b>	<b>March 31, 2015</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,924,922	\$ 5,014,242
Accounts receivable, net	4,015,715	3,801,584
Other receivables	289,064	208,288
Due from affiliates	20,052	36,397
Prepaid expenses	410,013	278,922
Deferred financing costs, net, current	-	513,646
Total current assets	8,659,766	9,853,079
Deferred financing costs, net, non-current	217,963	264,708
Property and equipment, net	577,701	582,470
Restricted cash	530,000	530,000
Intangible assets, net	1,283,163	1,377,257
Goodwill	2,168,833	2,168,833
Other assets	212,146	218,716
<b>TOTAL ASSETS</b>	<b>\$ 13,649,572</b>	<b>\$ 14,995,063</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 4,944,470	\$ 3,352,204
Medical liabilities	1,337,187	1,260,549

Note and line of credit payable, net of discount, current portion	7,282,448	327,141
Convertible notes payable, net of discount, current portion	2,549,476	1,037,818
Warrant liability	<u>1,315,846</u>	<u>-</u>
Total current liabilities	17,429,427	5,977,712
Notes payable, net of discount, non-current portion	-	6,234,721
Convertible notes payable, net of discount	-	1,457,103
Warrant liability	-	2,144,496
Deferred tax liability	<u>177,344</u>	<u>171,215</u>
Total liabilities	<u>17,606,771</u>	<u>15,985,247</u>

#### STOCKHOLDERS' DEFICIT

Preferred stock, par value \$0.001; 5,000,000 shares authorized; none issued	-	-
Common Stock, par value \$0.001; 100,000,000 shares authorized, 4,863,389 shares issued and outstanding as of September 30, 2015 and March 31, 2015	4,863	4,863
Additional paid-in-capital	16,670,718	16,517,985
Accumulated deficit	<u>(22,354,252)</u>	<u>(19,340,521)</u>
Stockholders' deficit attributable to Apollo Medical Holdings, Inc.	(5,678,671)	(2,817,673)
Non-controlling interest	<u>1,721,472</u>	<u>1,827,489</u>
Total stockholders' deficit	<u>(3,957,199)</u>	<u>(990,184)</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<u>\$ 13,649,572</u>	<u>\$ 14,995,063</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

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

	<b>Three Months Ended September 30,</b>		<b>Six Months Ended September 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Net revenues	\$ 11,369,607	\$ 11,665,294	\$ 21,573,734	\$ 15,759,780
Costs and expenses				
Cost of services	8,264,189	6,161,645	15,832,057	9,421,484
General and administrative	3,440,641	3,451,907	7,677,846	5,461,239
Depreciation and amortization	77,684	193,281	141,435	205,180
Total costs and expenses	<u>11,782,514</u>	<u>9,806,833</u>	<u>23,651,338</u>	<u>15,087,903</u>
(Loss) income from operations	(412,907)	1,858,461	(2,077,604)	671,877
Other (expense) income				
Interest expense	(68,818)	(329,258)	(429,220)	(606,125)
Gain (loss) on change in fair value of warrant and conversion feature liabilities	96,852	152,140	(116,866)	122,135
Other	(95,092)	(58,436)	5,912	(60,912)
Total other expense	<u>(67,058)</u>	<u>(235,554)</u>	<u>(540,174)</u>	<u>(544,902)</u>
(Loss) income before provision for income taxes	(479,965)	1,622,907	(2,617,778)	126,975
Income tax (benefit) provision	(186,138)	86,989	(93,447)	98,591
Net (loss) income	<u>(293,827)</u>	<u>1,535,918</u>	<u>(2,524,331)</u>	<u>28,384</u>
Net income attributable to non-controlling interest	<u>(237,539)</u>	<u>(159,608)</u>	<u>(489,401)</u>	<u>(329,815)</u>
Net (loss) income attributable to Apollo Medical Holdings, Inc.	<u>\$ (531,366)</u>	<u>\$ 1,376,310</u>	<u>\$ (3,013,732)</u>	<u>\$ (301,431)</u>
Other comprehensive gain:				
Unrealized gain on change in value of marketable securities	-	14,499	-	33,088
Comprehensive (loss) income	<u>\$ (531,366)</u>	<u>\$ 1,390,809</u>	<u>\$ (3,013,732)</u>	<u>\$ (268,343)</u>
NET LOSS PER SHARE:				
BASIC	<u>\$ (0.11)</u>	<u>\$ 0.28</u>	<u>\$ (0.62)</u>	<u>\$ (0.06)</u>
DILUTED	<u>\$ (0.11)</u>	<u>\$ 0.26</u>	<u>\$ (0.62)</u>	<u>\$ (0.06)</u>
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
BASIC	<u>4,863,389</u>	<u>4,913,455</u>	<u>4,863,389</u>	<u>4,913,455</u>
DILUTED	<u>4,863,389</u>	<u>5,439,344</u>	<u>4,863,389</u>	<u>4,913,455</u>

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

## About Apollo Medical Holdings, Inc. (ApolloMed)

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 six affiliated and complementary physician groups: ApolloMed Hospitalists, ApolloMed ACO (Accountable Care Organization), Maverick Medical Group (Independent Physician Association), AKM Medical Group (IPA), ApolloMed Care Clinics and Apollo Palliative Services. ApolloMed strives to improve medical outcomes with high-quality, cost-efficient care. For more information, please visit [www.apollomed.net](http://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 amended Form 10-K for the fiscal year ended March 31, 2015, 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, and also takes no obligation to update or correct information prepared by third parties that are not paid for by Apollo Medical Holdings, Inc.*

## **For More Information, PLEASE CONTACT:**

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