

February 25, 2015



# Apollo Medical Holdings Reports Third Quarter Fiscal Year 2015 Financial Results

## Revenue of \$7.6 million, a 170% Year-Over-Year Increase

GLENDAL, Calif., Feb. 25, 2015 /PRNewswire/ -- **Apollo Medical Holdings, Inc.** ("ApolloMed") (OTC-QB: AMEH), an integrated physician-centric healthcare delivery company announced its fiscal 2015 third quarter results for the three months ended December 31, 2014.

### Financial Highlights for the Three Months Ended December 31, 2014 Compared to the Three Months Ended December 31, 2013:

- Net revenue of \$7.6 million, an increase of 170% from \$2.8 million in the comparable period of 2013, attributable to the continued growth of Maverick Medical Group and recent acquisitions
- Loss from operations of \$1.5 million compared to a loss of \$808,596 in the comparable quarter of 2013, attributable to increased legal and professional fees related to acquisitions as well as increased infrastructure costs related to ApolloMed ACO and Maverick Medical Group
- On December 31, 2014, the Company had total assets of \$15.0 million
- On December 31, 2014, the Company had cash and cash equivalents of \$7.0 million

"This was another quarter of significant year-over-year revenue growth for ApolloMed," stated Warren Hosseinion, M.D., CEO of Apollo Medical Holdings. "The healthcare industry is rapidly shifting to a risk-based, accountable model, a model which we have been executing on for several years. We believe that ApolloMed is well-positioned to capitalize on the opportunities that will result from the changing healthcare landscape."

For more details on ApolloMed's fiscal year 2015 third 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).

**UNAUDITED FINANCIAL TABLES TO FOLLOW:**

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

<b>ASSETS</b>	<b>December 31, 2014</b>	<b>March 31, 2014</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 6,951,763	\$ 6,831,478
Restricted cash	40,000	20,000
Accounts receivable, net	3,506,674	1,508,461
Other receivables	12,431	-
Due from affiliates	11,457	24,041
Prepaid expenses	135,983	42,200
Total current assets	10,658,308	8,426,180
Deferred financing costs, net	294,326	366,286
Property and equipment, net	560,938	94,948
Intangible assets, net	1,911,832	59,627
Goodwill	1,386,480	494,700
Other assets	211,088	41,636
<b>TOTAL ASSETS</b>	<b>\$ 15,022,972</b>	<b>\$ 9,483,377</b>
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 2,562,008	\$ 1,447,040
Medical liabilities	1,805,554	552,561
Note and line of credit payable, net of discount, current portion	1,584,764	444,764
Holdback consideration	376,236	-
Total current liabilities	6,328,562	2,444,365
Notes payable, net of discount, non-current portion	5,038,041	5,344,565
Convertible notes payable, net of discount	2,002,307	962,978
Warrant liability	2,452,201	2,354,624
Conversion feature liability	487,630	-
Deferred tax liability	185,972	-
Total liabilities	16,494,713	11,106,532
<b>COMMITMENTS, CONTINGENCIES and SUBSEQUENT EVENTS (NOTES 10 and 11 )</b>		
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, par value \$0.001; 5,000,000 shares authorized; none issued	-	-
Common Stock, par value \$0.001; 100,000,000 shares authorized, 48,634,549 and 49,134,549 shares issued and outstanding	48,635	49,135
as of December 31, 2014 and March 31, 2014, respectively		
Additional paid-in-capital	16,338,075	15,083,365
Accumulated deficit	(18,340,602)	(16,347,588)
Stockholders' deficit attributable to Apollo Medical Holdings, Inc.	(1,953,892)	(1,215,088)
Non-controlling interest	482,151	(408,067)
Total stockholders' deficit	(1,471,741)	(1,623,155)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>	<b>\$ 15,022,972</b>	<b>\$ 9,483,377</b>

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

	Three months ended December 31, 2014	2013	Nine months ended December 31, 2014	2013
Net revenues	\$ 7,642,474	\$ 2,834,161	\$ 23,402,254	\$ 7,970,276
Costs and expenses				
Cost of services	6,090,345	2,032,851	15,511,829	6,748,726
General and administrative	2,889,598	1,603,625	8,350,837	4,569,020
Depreciation and amortization	194,060	6,281	399,240	19,164
Total costs and expenses	<u>9,174,003</u>	<u>3,642,757</u>	<u>24,261,906</u>	<u>11,336,910</u>
Loss from operations	(1,531,529)	(808,596)	(859,652)	(3,366,634)
Other (expense) income				
Interest expense	(362,935)	(156,257)	(969,060)	(518,509)
Change in fair value of warrant and conversion feature liability	358,433	-	480,568	-
Other	112,648	(739)	51,736	6,751
Total other income (expense)	<u>108,146</u>	<u>(156,996)</u>	<u>(436,756)</u>	<u>(511,758)</u>
Loss before provision for income taxes	(1,423,383)	(965,592)	(1,296,408)	(3,878,392)
(Benefit) provision for income taxes	(31,944)	(800)	66,647	-
Net loss	<u>(1,391,439)</u>	<u>(964,792)</u>	<u>(1,363,055)</u>	<u>(3,878,392)</u>
Net income attributable to noncontrolling interest	(300,144)	-	(629,959)	-
Net loss attributable to Apollo Medical Holdings, Inc.	<u>\$ (1,691,583)</u>	<u>\$ (964,792)</u>	<u>\$ (1,993,014)</u>	<u>\$ (3,878,392)</u>
Other comprehensive loss:				
Unrealized change in value of marketable securities	(33,088)	-	-	-
Comprehensive loss	<u>\$ (1,724,671)</u>	<u>\$ (964,792)</u>	<u>\$ (1,993,014)</u>	<u>\$ (3,878,392)</u>
NET LOSS PER SHARE:				
BASIC AND DILUTED	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ (0.10)</u>
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
BASIC AND DILUTED	<u>48,759,549</u>	<u>39,038,732</u>	<u>49,009,094</u>	<u>37,251,775</u>

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

Headquartered in Glendale, California and dedicated to putting the 'Patient First,' ApolloMed is a leading provider of physician-centric integrated healthcare management services, fueled by its commitment to provide exceptional multi-disciplinary care in the communities it serves in California, Mississippi and Ohio. ApolloMed is addressing the healthcare needs of the nation's largest population center by leveraging its integrated healthcare delivery platform comprised of three affiliated and complementary physician groups: ApolloMed Hospitalists, ApolloMed ACO (Accountable Care Organization), Maverick Medical Group (Independent Physician Association), AKM Medical Group (IPA), Apollo Palliative Services and ApolloMed Care Clinics. This platform combines hospitalist medicine, critical care medicine, case management and transition management that enable healthcare organizations to engage in performance payments for utilization efficiency, quality of care objectives and shared accountability arrangements. 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 Form 10-K for the fiscal year ended January 31, 2014, 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:**

**Dave Gentry**  
**RedChip Companies Inc.**  
1-800-733-2447  
[dave@redchip.com](mailto:dave@redchip.com)

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