

Apollo Medical Holdings Reports 34% Revenue Growth Year Over Year For Fiscal Year End 2016

GLENDAL, Calif., June 29, 2016 /PRNewswire/ -- **Apollo Medical Holdings, Inc.** ("ApolloMed" or "the Company") (OTC: AMEH), an integrated population health management company, today announced its Fiscal Year 2016 financial results for the twelve months ended March 31, 2016.

Financial Highlights for the Year Ended March 31, 2016:

- Net revenue of \$44.0 million, an increase of 34% as compared to \$33.0 million in the comparable period of 2015.
- Loss from operations of \$7.3 million as compared to \$0.7 million in the comparable period of 2015. The increase in loss is primarily due to non-cash expenses of \$3.7 million related to the change in fair value of warrant liabilities, stock based compensation, depreciation and amortization, loss on extinguishment of debt, amortization of deferred financing costs, impairment of certain of our intangible assets and bad debt expense. Additionally, in February 2016, both Health Net, Inc. and LA Care Health Plan effected a reduction in their Medi-Cal Expansion capitation rates in Los Angeles County, retroactive to July 1, 2015 and January 1, 2016, respectively, which negatively affected Maverick Medical Group's revenue and operating income. The retroactive reduction amounted to almost \$1 million.
- On March 31, 2016, the Company had total assets of \$19.6 million, including cash and cash equivalents of \$9.3 million. The company also ended its 2016 fiscal year with no long-term debt.

Financial Highlights for the Three Months Ended March 31, 2016 (unaudited):

- Net revenue of \$11.8 million compared to \$9.6 million in the comparable prior year period.
- Loss from operations of \$3.7 million compared to income from operations of \$0.2 million in the prior year period.

Select Operational Highlights for Fiscal Year 2016 included:

- ApolloMed raised \$15 million in preferred equity from Network Medical Management, Inc. at \$9.00 per share, with warrants at \$9 and \$10.
- ApolloMed retired a term loan and revolver, in the amount of \$7.3 million, owed to NNA of Nevada, Inc., an investing unit of Fresenius Medical Care. Additionally, NNA of Nevada elected to convert their \$2 million convertible note and all of their existing

warrants into shares of common stock.

- ApolloMed acquired the population health management technology and operating platform of Healarium, Inc. Rebranded as Apollo Care Connect, the cloud-based platform includes digital care plans based on evidence-based protocols, a case management module, a personal health assistant, the capability to aggregate data from multiple sources, including hospital and physician electronic health records (EHRs), as well as connectivity with numerous consumer wearables and devices.
- ApolloMed added two new board members: Mark Fawcett, Senior Vice President and Treasurer of Fresenius Medical Care and Thomas Lam, M.D., Chief Executive Officer of Network Medical Management and Chief Financial Officer of Allied Pacific of California IPA.
- ApolloMed was conditionally approved to list its common stock on NASDAQ. Although we currently do not meet certain of the minimum initial listing standards, the goal is to uplist on NASDAQ in FY 2017.

"We are pleased with our continued year over year revenue growth and strengthened balance sheet," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings. "We firmly believe that the Company is well-positioned to take advantage of changes in the rapidly evolving U.S. healthcare industry, including the transition to value-based reimbursements and outcomes-based medical care. While we have been implementing operational efficiency improvements with a goal of achieving operating profitability in Fiscal Year 2017, we expect to continue revenue growth and will continue to invest in our population health management infrastructure."

"Fiscal Year 2016 was a critical transitional year to position the company for future growth," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings. "We secured additional equity investments, eliminated long-term debt obligations, increased cash on hand, added Board leadership and added population health management technology assets to our delivery platform."

For more details on ApolloMed's 2016 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.

Audited Financial Tables

**APOLLO MEDICAL HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS**

	March 31,	
	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 9,270,010	\$ 5,014,242
Accounts receivable, net of allowance for doubtful accounts of \$601,000 and \$165,000 at March 31, 2016 and 2015, respectively	3,392,941	3,801,584
Other receivables	581,213	208,288
Due from Affiliates	20,505	36,397
Prepaid expenses and other current assets	<u>293,828</u>	<u>792,568</u>
Total current assets	13,558,497	9,853,079
Deferred financing costs, net	37,926	264,708
Property and equipment, net	1,247,973	582,470
Restricted cash	530,000	530,000
Intangible assets, net	2,353,212	1,377,257
Goodwill	1,622,483	2,168,833
Other assets	<u>216,442</u>	<u>218,716</u>
	\$	\$
Total assets	<u>19,566,533</u>	<u>14,995,063</u>
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)		
Accounts payable and accrued liabilities	\$ 4,572,307	\$ 3,340,594
Medical liabilities	2,670,709	1,260,549
Notes and lines of credit payable, net of discount, current portion	188,764	327,141
Convertible notes payable, net of discount, current portion	-	<u>1,037,818</u>
Total current liabilities	7,431,780	5,966,102
Notes, net of discount, non-current portion	-	6,234,721
Convertible notes payable, net of discount, non-current portion	-	1,457,103
Warrant liability	2,811,111	2,144,496
Deferred rent liability	728,877	11,610
Deferred tax liability	<u>43,479</u>	<u>171,215</u>
Total liabilities	<u>11,015,247</u>	<u>15,985,247</u>
COMMITMENTS AND CONTINGENCIES		
MEZZANINE EQUITY		
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series B); 1,111,111 and none issued and outstanding as of March 31, 2016 and 2015, respectively	\$	
Liquidation preference of \$9,999,999 and \$0 at March 31, 2016 and 2015, respectively	7,077,778	\$ -
STOCKHOLDERS' EQUITY (DEFICIT)		
Series B Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series A); 555,555 and none issued and outstanding as of March 31, 2016 and 2015, respectively Liquidation preference of \$4,999,995 and \$0 at March 31, 2016 and 2015, respectively	3,884,745	-
Common stock, par value \$0.001; 100,000,000 shares authorized, 5,876,852 and 4,863,389 shares issued and outstanding at March 31, 2016 and 2015, respectively	5,876	4,863
Additional paid-in capital	23,524,517	16,517,985
Accumulated deficit	<u>(28,684,565)</u>	<u>(19,340,521)</u>
Stockholders' deficit attributable to Apollo Medical Holdings, Inc.	(1,269,427)	(2,817,673)
Non-controlling interest	<u>2,742,935</u>	<u>1,827,489</u>
Total stockholders' equity (deficit)	<u>1,473,508</u>	<u>(990,184)</u>
	\$	\$
TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)	<u>19,566,533</u>	<u>14,995,063</u>

**APOLLO MEDICAL HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For The Years Ended March 31,	
	<u>2016</u>	<u>2015</u>
Net revenues	\$ 44,048,740	\$ 32,989,742
Costs and expenses:		
Cost of services	34,000,786	22,067,421
General and administrative	16,962,687	11,282,221
Depreciation and amortization	<u>351,396</u>	<u>334,434</u>
Total costs and expenses	<u>51,314,869</u>	<u>33,684,076</u>
Loss from operations	<u>(7,266,129)</u>	<u>(694,334)</u>
Other (expense) income:		
Interest expense	(542,296)	(1,326,407)
(Loss) gain on change in fair value of warrant and conversion feature liabilities, net	(408,692)	833,545
Loss on debt extinguishment, net	(266,366)	-
Other income	<u>239,057</u>	<u>3,031</u>
Total other expense, net	<u>(978,297)</u>	<u>(489,831)</u>
Loss before (benefit) provision for income taxes	(8,244,426)	(1,184,165)
(Benefit) provision for income taxes	<u>(71,037)</u>	<u>163,792</u>
Net loss	(8,173,389)	(1,347,957)
Net income attributable to noncontrolling interests	<u>1,170,655</u>	<u>454,644</u>
Net loss attributable to Apollo Medical Holdings, Inc.	<u>\$ (9,344,044)</u>	<u>\$ (1,802,601)</u>
Net loss per share:		
Basic and diluted	\$ (1.79)	\$ (0.37)
Weighted average shares of common stock outstanding:		
Basic and diluted	5,212,927	4,891,652

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), 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 amended 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, 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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