

November 19, 2015



# ApolloMed Announces That A Subsidiary Of Fresenius Medical Care Has Completed The Conversion Of Its \$2 Million Convertible Note And Existing Warrants Into Common Stock

GLENDAL, Calif., Nov. 19, 2015 /PRNewswire/ --**Apollo Medical Holdings, Inc.** ("ApolloMed" or "the Company") (AMEH), an integrated population health management company, is pleased to announce that NNA of Nevada, Inc., a unit of Fresenius Medical Care, has decided to convert its \$2 million convertible note and 500,000 warrants into 600,000 shares of common stock. Fresenius has been an investor and partner since 2013 and this transaction is another step in our relationship.

With the recent \$10 million equity investment from Network Medical Management, Inc. and this transaction with Fresenius, ApolloMed has greatly enhanced its balance sheet and positioned itself for future growth. A proforma balance sheet, building off of our just released FY 2016 2<sup>nd</sup> Quarter 10-Q, is attached which reflects these two positive events. For a more detailed explanation of the proforma adjustments, please refer to our Form 8K filed today. Highlights include:

1. Cash and cash equivalents of approximately \$7 million, including restricted cash of \$530,000.
2. Total assets of \$16.0 million.
3. Total debt reduced to approximately \$1.2 million.
4. Total Stockholder's Equity, including mezzanine equity, of over \$5.5 million.

"The combination of our strengthened balance sheet, cost-efficiency measures and our 49% trailing twelve months revenue growth reflect a continuation of our strategic plan," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings, Inc. "We believe these achievements will enhance our ability to expand our operations and invest in additional opportunities. We look forward to scaling our value-based population health management platform in 2016 and beyond."

"We would like to thank Fresenius for their continued partnership with and confidence in ApolloMed," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings, Inc. "We also look forward to our new partnership with Network Medical Management as we continue to grow the business and increase shareholder value."

**APOLLO MEDICAL HOLDINGS, INC. AND SUBSIDIARIES**  
**UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET**

	30-Sep-15 As Filed	Pro Forma Adjustments	30-Sep-15 Pro-Forma
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 3,924,922	\$ 2,525,018	\$ 6,449,940
Accounts receivable, net	4,015,715	-	4,015,715
Other receivables	289,064	-	289,064
Due from Affiliates	20,052	-	20,052
Prepaid expenses	410,013	-	410,013
Total current assets	<u>8,659,766</u>	<u>2,525,018</u>	<u>11,184,784</u>
Deferred financing costs, net, non-current	217,963	(192,000)	25,963
Property and equipment, net	577,701	-	577,701
Restricted cash	530,000	-	530,000
Intangible assets, net	1,283,163	-	1,283,163
Goodwill	2,168,833	-	2,168,833
Other assets	212,146	-	212,146
<b>TOTAL ASSETS</b>	<u>\$ 13,649,572</u>	<u>\$ 2,333,018</u>	<u>\$ 15,982,590</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY/(DEFICIT)</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 4,944,470	\$ (88,865)	\$ 4,855,605
Medical liabilities	1,337,187	-	1,337,187
Note and line of credit payable, net of discount, current portion	7,282,448	(7,187,683)	94,765
Convertible notes payable, net of discount, current portion	2,549,476	(1,474,246)	1,075,230
Warrant liability	1,315,846	1,606,376	2,922,222
Total current liabilities	<u>17,429,427</u>	<u>(7,144,418)</u>	<u>10,285,009</u>
Deferred tax liability	177,344	-	177,344
<b>TOTAL LIABILITIES</b>	<u>17,606,771</u>	<u>(7,144,418)</u>	<u>10,462,353</u>
<b>MEZZANINE EQUITY</b>			
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized, none issued and outstanding as of June 30, 2015, 1,111,111 issued and outstanding pro forma	<u>-</u>	<u>7,077,778</u>	<u>7,077,778</u>
<b>STOCKHOLDERS' EQUITY/(DEFICIT)</b>			
Common Stock, par value \$0.001; 100,000,000 shares authorized, 4,863,389 shares issued and outstanding as of June 30, 2015, 5,463,389 issued and outstanding pro forma	4,863	600	5,463
Additional paid-in-capital	16,670,718	3,059,400	19,730,118
Accumulated deficit	(22,354,252)	(660,342)	(23,014,594)
Stockholders' equity/(deficit) attributable to Apollo Medical Holdings, Inc.	(5,678,671)	2,399,658	(3,279,013)
Non-controlling interest	1,721,472	-	1,721,472
Total stockholders' equity/(deficit)	<u>(3,957,199)</u>	<u>2,399,658</u>	<u>(1,557,541)</u>
<b>TOTAL LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY/(DEFICIT)</b>	<u>\$ 13,649,572</u>	<u>\$ 2,333,018</u>	<u>\$ 15,982,590</u>

## 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, AKM Medical Group, 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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To view the original version on PR Newswire, visit <http://www.prnewswire.com/news-releases/apollomed-announces-that-a-subsiadiary-of-fresenius-medical-care-has-completed-the-conversion-of-its-2-million-convertible-note-and-existing-warrants-into-common-stock-300182208.html>

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