

Apollo Medical Holdings Reports 29% Revenue Growth Year Over Year For The 2nd Quarter Of Fiscal Year 2017

Revenue of \$14.6 million, an 18% Increase from the Previous Quarter

GLENDAL, Calif., Nov. 14, 2016 /PRNewswire/ -- **Apollo Medical Holdings, Inc.** ("ApolloMed" or "the Company") (OTC: AMEH), an integrated population health management company, today announced its fiscal year 2017 2nd quarter financial results for the three months ended September 30, 2016.

Financial Highlights for the Three Months Ended September 30, 2016 Compared to the Three Months Ended September 30, 2015 (unaudited):

- Net revenue of \$14.6 million, an increase of 29% as compared to \$11.4 million in the comparable period of 2015.
- Loss from operations of \$2.2 million as compared to a \$0.4 million loss in the comparable period of 2015. The increase in loss is primarily due to start-up costs associated with multiple new hospitalist contracts, the temporary use of locum tenens physicians, which on average cost 70% more than employed physicians to staff these new contracts and the lag time in collections from payors. Additionally, cost of services was negatively impacted by a higher claims expense in Maverick Medical Group of approximately \$0.6 million. The Company also increased capital investment in its population health management infrastructure and personnel in pursuit of the Centers for Medicare & Medicaid Services' ("CMS") Next Generation ACO Model. The Company intends to participate in the All-Inclusive Population-Based Payment ("AIPBP") payment mechanism, in which CMS will estimate the total annual expenditures for the Next Gen ACO's patients and then pay that projected amount to the Next Gen ACO in a per-beneficiary, per-month ("PBPM") payment. The Next Gen ACO would then be responsible for paying all Part A and Part B costs for contracted providers. The Next Gen ACO program is slated to begin in January 2017.
- On September 30, 2016, the Company had total assets of \$15.0 million, including cash and cash equivalents of \$3.8 million. The company has no long-term debt.

Financial Highlights for the Six Months Ended September 30, 2016 Compared to the Six Months Ended September 30, 2015 (unaudited):

- Net revenue of \$27.0 million, an increase of 25% as compared to \$21.6 million in the comparable period of 2015.
- Loss from operations of \$3.9 million as compared to \$2.1 million loss in the comparable period of 2015.

"We are pleased with our continued year-over-year and quarter-over-quarter revenue growth," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical

Holdings. "Our goal is to staff the new hospitalist contracts with employed, rather than locum tenens, physicians and anticipate that it will take 3-4 months at each site. We are also continuing to implement operational efficiencies across our business segments. We are optimistic about the Next Gen ACO Model, which could be transformative for ApolloMed. Lastly, in regards to the election results, we believe that the ideas behind value-based care, including reducing the per capita cost of healthcare, improving the quality of care and improving patient satisfaction, are here to stay with or without the Affordable Care Act."

"The movement towards value-based care is accelerating in the United States. We are experiencing new opportunities within several of our service offerings, in particular our hospitalist and population health management segments," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings. "ApolloMed has been investing and will continue to invest in the required assets and operations to take advantage of the continued transformation to value-based care."

For more details on ApolloMed's 2017 fiscal year 2nd quarter results, please refer to the Company's Quarterly Report on Form 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)

	September 30, 2016	March 31, 2016
ASSETS		
Cash and cash equivalents	\$ 3,793,502	\$ 9,270,010
Accounts receivable, net of allowance for doubtful accounts of \$671,000 and \$601,000 at September 30, 2016 and March 31, 2016, respectively	4,578,114	3,392,941
Other receivables	290,941	581,213
Due from affiliates	20,052	20,505
Prepaid expenses and other current assets	430,278	293,828
Total current assets	9,112,887	13,558,497
Deferred financing costs	-	37,926
Property and equipment, net	1,302,667	1,247,973
Restricted cash	530,000	530,000
Intangible assets, net	2,162,895	2,353,212
Goodwill	1,622,483	1,622,483
Other assets	221,979	216,442
TOTAL ASSETS	\$ 14,952,911	\$ 19,566,533
LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' (DEFICIT) EQUITY		
Accounts payable and accrued liabilities	\$ 4,544,711	\$ 4,572,307
Medical liabilities	2,069,392	2,670,709
Lines of credit	201,264	188,764
Total current liabilities	6,815,367	7,431,780
Warrant liability	1,477,778	2,811,111
Deferred rent liability	819,375	728,877
Deferred tax liability	43,479	43,479
Total liabilities	9,155,999	11,015,247
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 issued and outstanding		
Liquidation preference of \$9,999,999	\$ 7,077,778	\$ 7,077,778
STOCKHOLDERS' (DEFICIT) EQUITY		
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 September 30, 2016 and March 31, 2016, respectively	6,033	5,876
Additional paid-in-capital	24,190,118	23,524,517
Accumulated deficit	(31,358,231)	(28,684,565)
Stockholders' deficit attributable to Apollo Medical Holdings, Inc.	(3,277,335)	(1,269,427)
Non-controlling interest	1,996,469	2,742,935
Total stockholders' (deficit) equity	(1,280,866)	1,473,508
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY	\$ 14,952,911	\$ 19,566,533

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

	Three Months Ended September 30,		Six Months Ended September 30,	
	2016	2015	2016	2015
Net revenues	\$ 14,622,656	\$ 11,369,607	\$ 26,994,329	\$ 21,573,734
Costs and expenses				
Cost of services	12,171,183	8,264,189	22,304,188	15,832,057
General and administrative	4,455,329	3,440,641	8,291,804	7,677,846
Depreciation and amortization	170,555	77,684	335,213	141,435
Total costs and expenses	16,797,067	11,782,514	30,931,205	23,651,338
Loss from operations	(2,174,411)	(412,907)	(3,936,876)	(2,077,604)
Other (expense) income				
Interest expense	(3,054)	(68,818)	(5,713)	(429,220)
Gain (loss) on change in fair value of warrant and conversion feature liabilities	511,111	96,852	1,333,333	(116,866)
Other income (expense)	10,560	(95,092)	12,531	5,912
Total other income (expense), net	518,617	(67,058)	1,340,151	(540,174)
Loss before benefit from income taxes	(1,655,794)	(479,965)	(2,596,725)	(2,617,778)
Benefit from income taxes	(185,040)	(186,138)	(226,593)	(93,447)
Net loss	\$ (1,470,754)	\$ (293,827)	\$ (2,370,132)	\$ (2,524,331)
Net (income) loss attributable to noncontrolling interest	112,345	(237,539)	(303,534)	(489,401)
Net loss attributable to Apollo Medical Holdings, Inc.	\$ (1,358,409)	\$ (531,366)	\$ (2,673,666)	\$ (3,013,732)
Net loss per share:				
Basic and diluted	\$ (0.23)	\$ (0.11)	\$ (0.45)	\$ (0.62)
Weighted average number of shares of common stock outstanding:				
Basic and diluted	6,024,605	4,863,389	5,970,015	4,863,389

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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