

November 14, 2017



# Apollo Medical Holdings Reports 177% Revenue Growth Year Over Year For The 2nd Quarter Of Fiscal Year 2018

GLENDAL, Calif., Nov. 14, 2017 /PRNewswire/ -- **Apollo Medical Holdings, Inc.** ("ApolloMed" or "the Company") (OTC: AMEH), an integrated population health management company, today announced its Fiscal Year 2018 2<sup>nd</sup> Quarter financial results for the three months ended September 30, 2017.

## **Financial Highlights for the Three Months Ended September 30, 2017 Compared to the Three Months Ended September 30, 2016 (unaudited):**

- Net revenue of \$40.5 million, an increase of 177% as compared to \$14.6 million in the comparable period of 2016. The increase in revenue resulted primarily from increased revenues at APA ACO beginning in April 2017.
- Loss from operations of \$4.1 million as compared to loss of \$2.2 million in the comparable period of 2016. The Company's loss in the 2<sup>nd</sup> quarter of fiscal year 2018 was primarily driven by the ongoing transactional expenses related to the pending merger with Network Medical Management, Inc.
- On September 30, 2017, the Company had total assets of \$41.2 million, including cash and cash equivalents of \$30.2 million.

"We are very pleased with the progress of our long term growth initiatives, especially with our continued strong organic revenue growth," stated Warren Hosseinion, M.D., Chief Executive Officer of Apollo Medical Holdings. "At the same time, we have been proactive in our cost reduction efforts, including exiting four hospitalist contracts that did not meet our financial expectations and the cessation of usage of locum tenens physicians as of September. We are also very excited about our pending merger with Network Medical Management, which we expect to consummate before December 31."

"We continue to make progress on finalizing our merger and preparing the company for 2018 and beyond," stated Gary Augusta, Executive Chairman of Apollo Medical Holdings. "We believe having a proven, value-based healthcare model combining clinical expertise, risk operations and technology is the approach needed for both patients, healthcare stakeholders and our shareholders."

For more details on ApolloMed's 2018 Fiscal Year 2<sup>nd</sup> 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>September 30, 2017</b>	<b>March 31, 2017</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 30,203,773	\$ 8,664,211
Accounts receivable, net of allowance for doubtful accounts of \$381,019 and \$475,080, respectively	4,857,136	5,506,472
Other receivables	372,334	464,085
Due from affiliates	-	18,314
Prepaid expenses and other current assets	298,477	269,168
Total current assets	35,731,720	14,922,250
Property and equipment, net	1,121,632	1,205,139
Restricted cash	745,176	765,058
Intangible assets, net	1,732,984	1,904,269
Goodwill	1,622,483	1,622,483
Other assets	219,174	225,358
<b>TOTAL ASSETS</b>	<b>\$ 41,173,169</b>	<b>\$ 20,644,557</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and accrued liabilities	\$ 7,042,043	\$ 7,883,373
Medical liabilities	30,694,173	1,768,231
Convertible note payable, net of debt issuance cost of \$53,667 and \$161,000, respectively	4,936,333	4,829,000
Lines of credit	25,000	62,500
Total current liabilities	42,697,549	14,543,104
Note payable – related party	5,000,000	5,000,000
Deferred rent liability	683,504	747,418
Deferred tax liability	83,666	83,667
<b>TOTAL LIABILITIES</b>	<b>48,464,719</b>	<b>20,374,189</b>
<b>COMMITMENTS AND CONTINGENCIES (see Note 8)</b>		
<b>STOCKHOLDERS' (DEFICIT) EQUITY</b>		
Series A Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series B Preferred stock); 1,111,111 issued and outstanding Liquidation preference of \$9,999,999	7,077,778	7,077,778
Series B Preferred stock, par value \$0.001; 5,000,000 shares authorized (inclusive of Series A Preferred stock) 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; 6,052,518 and 6,033,518 shares issued and outstanding, respectively	6,053	6,033
Additional paid-in capital	26,836,238	26,331,948
Accumulated deficit	(45,148,985)	(37,654,381)
Stockholders' deficit attributable to Apollo Medical Holdings, Inc.	(7,344,171)	(353,877)
Non-controlling interest	52,621	624,245
Total stockholders' (deficit) equity	(7,291,550)	270,368
<b>TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>	<b>\$ 41,173,169</b>	<b>\$ 20,644,557</b>

**APOLLO MEDICAL HOLDINGS, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(UNAUDITED)**

	<b>Three Months Ended September 30,</b>		<b>Six Months Ended September 30,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Net revenues	\$ 40,483,346	\$ 14,622,656	\$ 82,058,826	\$ 26,994,329
Costs and expenses				
Cost of services	39,096,618	12,171,183	79,336,260	22,304,188
General and administrative	5,345,742	4,455,329	10,234,926	8,291,804
Depreciation and amortization	155,937	170,555	311,204	335,213
Total costs and expenses	44,598,297	16,797,067	89,882,390	30,931,205
Loss from operations	(4,114,951)	(2,174,411)	(7,823,564)	(3,936,876)
Other (expense) income				
Interest expense	(199,662)	(3,054)	(392,651)	(5,713)
Gain (loss) on change in fair value of warrant liabilities	-	511,111	-	1,333,333
Other income (expense)	54,635	10,560	93,295	12,531
Total other income (expense), net	(145,027)	518,617	(299,356)	1,340,151
Loss before benefit from income taxes	(4,259,978)	(1,655,794)	(8,122,920)	(2,596,725)
Benefit from income taxes	(26,858)	(185,040)	(56,692)	(226,593)
Net loss	\$ (4,233,120)	\$ (1,470,754)	\$ (8,066,228)	\$ (2,370,132)
Net (income) loss attributable to non-controlling interest	350,382	112,345	571,624	(303,534)
Net loss attributable to Apollo Medical Holdings, Inc.	\$ (3,882,738)	\$ (1,358,409)	\$ (7,494,604)	\$ (2,673,666)
Net loss per share:				
Basic and diluted	\$ (0.64)	\$ (0.23)	\$ (1.24)	\$ (0.45)
Weighted average number of shares of common stock outstanding:				
Basic and diluted	6,035,159	6,024,605	6,034,343	5,970,015

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

Founded in 2001 and headquartered in Glendale, California, ApolloMed is a leading physician-centric integrated population health management company working to provide coordinated, outcomes-based high-quality medical care for patients, particularly senior patients and patients with multiple chronic conditions, in a cost-effective manner. Led by a management team with over a decade of experience, ApolloMed is addressing the healthcare needs of its patients by leveraging its integrated health management and healthcare delivery platform that includes: Apollo Medical Management (Management Services Organization), ApolloMed Hospitalists, APA ACO (Next Generation ACO), ApolloMed ACO (MSSP Accountable Care Organization), Maverick Medical Group (Independent Physician Association), Apollo Care Connect (Digital Population Health Management Platform) and ApolloMed Palliative Services (Hospice/Palliative Care and Home Health Care). 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 within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, based on numerous assumptions and subject to risks and uncertainties (some of which are beyond our control), including statements about management's view of future expectations, plans and prospects for Apollo Medical Holdings, Inc. ("the Company"). In particular, when used in such statements, the words "predicts," "believes," "expects," "intends," "seeks," "estimates," "plans," "anticipates," and similar conditional expressions or future or conditional verbs such as "will," "may," "might," "should," "would" and "could" are intended to identify forward-looking statements. In addition, our representatives may from time to time make oral forward-looking statements. Any such statements, other than those of historical fact, about an action, event or development, are forward-looking statements. Such statements are based on the current expectations and certain assumptions of the Company's management, and some or all of such expectations and assumptions may not materialize or may vary significantly from actual results. Such statements are, therefore, subject to a variety of known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company, which could cause the actual results, performance or achievements of the Company, its subsidiaries and concepts to be materially different than those that may be expressed or implied in such statements or anticipated on the basis of historical trends. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, the Company's actual results, performance or achievements may vary materially from those described in the relevant forward-looking statement as being expected, anticipated, intended, planned, believed, sought, estimated or projected. Unknown or unpredictable factors also could have material adverse effects on the Company's future results. The forward-looking statements included herein 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 or revise these forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made, 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 the Company. You should not place undue reliance on any forward-looking statement and should consider the uncertainties and risks discussed under Item 1A. "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended March 31, 2017 and in any of the Company's other subsequent Securities and Exchange Commission filings. We further do not accept any responsibility for any projections or reports published by analysts, investors or other third parties.*

**For More Information, PLEASE CONTACT:**

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[reports-177-revenue-growth-year-over-year-for-the-2nd-quarter-of-fiscal-year-2018-300556020.html](https://www.apollo-medical.com/press-releases/2018/03/05/apollo-medical-reports-177-revenue-growth-year-over-year-for-the-2nd-quarter-of-fiscal-year-2018-300556020.html)

SOURCE Apollo Medical Holdings, Inc.