



ActiveCare Announces First Quarter Financial Results With A \$6 Million Financing Partnership with Partners for Growth

Orem, Utah March 1, 2016 – ActiveCare, Inc. (ACAR), a leader in diabetes management products and wellness services for self-insured employers nationwide, reported financial results for the first fiscal quarter ended December 31, 2015.

"Our strong financial progress is the result of our continued progress in the market. We have restructured both the entire Company from sales to operations aligning ourselves to better serve our clients. As a result during the past quarter we exceeded our projected goals adding over 2,600 new members. In order to capitalize on our continual growth in February the Company was able to close \$6 million in financing while restructuring the balance sheet," stated James Dalton, CEO and chairman of ActiveCare.

First Quarter Results

- The Company reported total revenues of \$2,088,000 compared to \$1,508,000 in the first quarter of the prior year, a 38% increase.
- Gross Profit was \$494,000 compared to gross profit of \$391,000 in the first quarter of the prior year, a 26% increase.
- Loss from operations was \$1,875,000 compared to \$2,006,000 in the first quarter of the prior year, a 6.5% reduction. After removing stock based compensation, the operating loss for the December 31, 2015 quarter was \$695,000 as compared to \$836,000 for the same period ended December 31, 2014, a 17% improvement.

Recent Developments

The Company also reported the closing of transactions resulting in restructuring the Company's cap table and providing financing to the Company. Those transactions include the following:

- \$6 million funding commitment with Partners for Growth IV, L.P. ("PFG) a firm providing custom debt solutions to private and public technology and life science companies. The funding commitment involves a line of credit facility and a term loan component as follows:
 - A \$3,000,000 line of credit that begins at \$1,500,000 and grows to \$3,000,000 as the Company's revenues grow. When defined milestones are met the interest rate will lower from 12.25% to 10.75%. The line of credit is for two years.

- A \$3,000,000 term loan at an interest rate of 12.75% that can be lowered to 11.25% as the Company achieves defined milestones. The term of the loan is three years. At closing PFG funded \$1,500,000 of the term loan with an additional \$1,500,000 to be funded over the next 60 days as the Company achieves certain milestones.
- Redemption of the Series F Preferred which was a restrictive and high dividend instrument that interfered with ActiveCare's growth and development. The Series F holders exchanged their preferred shares for a total of 10 million shares of common stock and a note payable for \$5,900,000 at 10% interest with minimal payments beginning after one year. The note is convertible into common stock at \$.30 per share with a 4.99% ownership limitation in ActiveCare. The common shares issued to the former preferred holders are subject to an 18-month lock-up restriction.
- Converted \$605,000 of debts to equity by issuing common shares.

"We have strengthened our existing partnerships while we have continued to gain the attention of the market. We are now able to attract and acquire the talent we need on both our board of directors but also in sales and operations in order to take the Company to the next level. The increased financing puts the Company in a good position to capitalize on opportunities and accelerate our growth, which we believe will exceed our projected goals," concluded Dalton.

About ActiveCare

ActiveCare, Inc. provides patented diabetes monitoring and wellness solutions that increase visibility, lower costs and provide real-time care for members resulting in improved outcomes. Utilizing proprietary monitoring technology, trained CareSpecialists can intervene in real-time and provide members with the support needed to control their disease 24 hours a day, every day. Headquartered in Orem, Utah and publicly traded on the OTC Bulletin Board under the symbol ACAR, ActiveCare's solution is changing the way employers, individuals and their health plans monitor chronic disease. To learn more about ActiveCare, Inc., visit the website at www.activecare.com.

Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. Our actual results could differ materially from those projected in these forward-looking statements, which involve a number of risks and uncertainties, including global economic conditions generally, regulatory uncertainty and economic pressure on the healthcare industry in particular, the governmental regulation of our products, manufacturing and marketing risks, and adverse publicity risks. The contents of this release should be considered in conjunction with the risk factors, warnings, and cautionary statements that are contained in our most recent filings with the Securities and Exchange Commission.