

November 17, 2014



First Choice Healthcare Reports Third Quarter 2014 Results

Comparable Nine Month Revenues Climb 38% Fueled by 46% Increase in Net Patient Service Revenues

MELBOURNE, FL -- (Marketwired) -- 11/17/14 -- [*First Choice Healthcare Solutions, Inc.*](#) (OTCQB: FCHS) ("*FCHS*" or "*First Choice*"), a diversified holding company focused on delivering clinically superior, patient-centric, multi-specialty care through state-of-the-art medical centers of excellence, today announced its third quarter results for the three and nine months ended September 30, 2014.

Financial Highlights for the Three Months Ended September 30, 2014 Compared to the Three Months Ended September 30, 2013:

- Total revenues were \$1,891,045, up 14% from \$1,654,730.
 - Net patient service revenue less provision for bad debts generated by our flagship Medical Center of Excellence, First Choice Medical Group, rose 17% to \$1,627,157 from \$1,395,610.
 - Rental revenue from our real estate holding, Marina Towers, remained relatively flat at \$263,888 compared to \$259,120.
- After factoring non-cash expenses related to depreciation, bad debt expense and stock-based compensation totaling \$502,210, net loss from operations was \$140,886. This compared to net income from operations of \$142,864 after factoring \$211,800 in non-cash depreciation and stock-based compensation expenses.
 - Notwithstanding the noted non-cash expenses, income from operations increased modestly to \$361,324 from \$354,664.
- Net loss totaled \$375,620, or \$0.02 loss per basic and diluted share, representing a 105% increase over a net loss of \$183,409, or \$0.01 loss per basic and diluted share.

Financial Highlights for the Nine Months Ended September 30, 2014 Compared to the Nine Months Ended September 30, 2013:

- Total revenues climbed 38% to \$6,232,962 from \$4,525,981.
 - Net revenues from patient service less provision for debts increased 46% to

\$5,448,428 from \$3,739,435.

- Rental revenue remained flat at \$784,534 compared to \$786,546.
- Net loss from operations totaled \$148,254 after factoring non-cash expenses related to depreciation, bad debt expense and stock-based compensation of \$976,345. This compared to net income from operations of \$286,909, inclusive of non-cash expenses of \$529,678 for depreciation and stock-based compensation.
 - Notwithstanding the non-cash expenses, net income from operations increased to \$828,091 from \$816,587.
- After factoring interest expense of \$651,228 and amortization financing costs of \$62,058, the net loss for the first nine months of 2014 totaled \$859,290, or \$0.05 loss per basic and diluted share. For the comparable nine-month period in 2013, net loss was \$558,871, or \$0.04 loss per basic and diluted share, after giving consideration to \$983,966 in interest expense and amortization financing costs of \$51,477, offset by \$187,351 related to a gain on change in fair value of a derivative liability.
- Adjusted EBITDA¹ was \$402,517, compared to \$1,006,250.

As of September 30, 2014, the Company had cash and restricted cash totaling \$477,690; accounts receivable of \$2,114, 525; total liabilities of \$13,732,759, which included \$8,938,980 in long term debt; and total stockholders' deficit of \$1,798,933.

"We are pleased that our third quarter revenue results continued to reflect the momentum we are building at First Choice Medical Group," stated Chris Romandetti, Chairman, President and CEO of First Choice. "As we approach the yearend, we remain squarely focused on achieving sustainable positive operating cash flow while investing back in our business through strategic acquisitions, continued expansion of our core leadership team and ongoing innovation in our systems of operations."

¹ This press release includes information relating to Adjusted EBITDA Modified for Non-Cash Items, which is a financial measure that has not been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). This non-GAAP financial measure is not a measurement of financial performance under GAAP, and should not be considered as an alternative to GAAP measures or as indications of operating performance or any other measure of performance derived in accordance with GAAP. We do not consider these non-GAAP financial measures to be a substitute for, or superior to, the information provided by GAAP financial measures. These non-GAAP financial measures have been included in this press release because they are measures used by our management and board of directors to understand our business, make operating decisions and understanding and evaluating our operating results.

Adjusted EBITDA is a non-GAAP financial measure defined by us as net income/loss before interest expense, net, depreciation and amortization expenses and stock-based compensation expense. We have presented Adjusted EBITDA in this press release because it is a key measure used by our management and board of directors to

understand and evaluate our core operating performance and trends, to prepare and approve our annual budget and to develop short and long-term operational plans. In particular, we believe that the exclusion of the amounts eliminated in calculating Adjusted EBITDA can provide a useful measure for period-to-period comparisons of our core business. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and board of directors. You should consider Adjusted EBITDA along with other GAAP-based financial performance measures, including various cash flow metrics, loss, and our GAAP financial results. For a reconciliation of non-GAAP financial measures to the nearest comparable GAAP financial measures for each of the periods indicated, "Reconciliation of Adjusted EBITDA Modified for Non-Cash Items" included in this press release.

FINANCIAL CHARTS TO FOLLOW

FIRST CHOICE HEALTHCARE SOLUTIONS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	<u>September 30, 2014</u>	<u>December 31, 2013</u>
	(unaudited)	
ASSETS		
Current assets		
Cash	\$ 137,018	\$ 739,158
Cash-restricted	340,672	256,246
Accounts receivable, net	2,114,525	1,272,155
Prepaid and other current assets	264,440	140,580
Capitalized financing costs, current portion	57,348	57,348
Total current assets	<u>2,914,003</u>	<u>2,465,487</u>
Property, plant and equipment, net of accumulated depreciation of \$2,341,377 and \$1,959,127	<u>8,425,452</u>	<u>8,662,057</u>
Other assets		
Capitalized financing costs, long term portion	69,483	131,540
Patient list, net of accumulated amortization of \$50,000 and \$35,000	250,000	265,000
Patents, net of amortization of \$14,325	272,175	286,500
Deposits	2,713	2,713
Total other assets	<u>594,371</u>	<u>685,753</u>
Total assets	<u>\$ 11,933,826</u>	<u>\$ 11,813,297</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,078,142	\$ 459,000

Stock based payable	28,750	166,340
Advances	50,000	-
Line of credit, short term	1,202,000	800,000
Convertible note payable, short term portion	1,611,626	-
Notes payable, current portion	781,162	743,787
Unearned revenue	42,099	74,934
Total current liabilities	<u>4,793,779</u>	<u>2,244,061</u>
Long term debt:		
Deposits held	72,901	72,901
Convertible note payable, long term portion	537,209	2,347,403
Notes payable, long term portion	8,328,870	8,935,473
Total long term debt	<u>8,938,980</u>	<u>11,355,777</u>
Total liabilities	<u>13,732,759</u>	<u>13,599,838</u>
Stockholders' deficit		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, Nil issued and outstanding	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized, 17,688,804 and 16,747,248 shares issued and outstanding as of September 30, 2014 and December 31, 2013, respectively	17,689	16,747
Additional paid in capital	12,406,205	11,560,249
Accumulated deficit	<u>(14,222,827)</u>	<u>(13,363,537)</u>
Total stockholders' deficit	<u>(1,798,933)</u>	<u>(1,786,541)</u>
Total liabilities and stockholders' deficit	<u>\$ 11,933,826</u>	<u>\$ 11,813,297</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2014	2013	2014	2013
Revenues:				
Patient service revenue	\$ 1,917,597	\$ 1,395,610	\$ 5,814,140	\$ 3,739,435
Provision for bad debts	<u>(290,440)</u>	<u>-</u>	<u>(365,712)</u>	<u>-</u>
Net patient service revenue less provision for bad debts	1,627,157	1,395,610	5,448,428	3,739,435
Rental revenue	<u>263,888</u>	<u>259,120</u>	<u>784,534</u>	<u>786,546</u>
Total Revenue	1,891,045	1,654,730	6,232,962	4,525,981

Operating expenses:				
Salaries & benefits	925,513	735,888	3,081,840	2,000,436
Other operating expenses	407,699	353,034	1,264,046	965,923
General & administrative	548,635	298,566	1,623,755	898,911
Depreciation and amortization	<u>150,084</u>	<u>124,378</u>	<u>411,575</u>	<u>373,803</u>
Total operating expenses	<u>2,031,931</u>	<u>1,511,866</u>	<u>6,381,217</u>	<u>4,239,073</u>
Net (loss) income from operations	(140,886)	142,864	(148,255)	286,908
Other income (expense):				
Miscellaneous income	750	750	2,250	2,313
Gain on change in fair value of derivative liability	-	(1,631)	-	187,351
Amortization Financing costs	(20,686)	(22,802)	(62,058)	(51,477)
Interest expense, net	<u>(214,798)</u>	<u>(302,590)</u>	<u>(651,228)</u>	<u>(983,966)</u>
Total other income (expense)	<u>(234,734)</u>	<u>(326,273)</u>	<u>(711,036)</u>	<u>(845,779)</u>
Net loss before provision for income taxes	(375,620)	(183,409)	(859,290)	(558,871)
Income taxes (benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET LOSS	<u>\$ (375,620)</u>	<u>\$ (183,409)</u>	<u>\$ (859,290)</u>	<u>\$ (558,871)</u>
Net loss per common share, basic and diluted	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>17,523,044</u>	<u>13,416,949</u>	<u>17,092,088</u>	<u>13,005,773</u>

¹Adjusted EBITDA Modified for Non-Cash Items

Nine Months Ended September 30,

	<u>2014</u>	<u>2013</u>
NET LOSS	\$ (859,290)	\$ (588,870)
Amortization	62,058	51,477
Depreciation	411,575	373,803
Interest	651,228	983,966

Taxes	-	-
Non-Cash Item: Stock-Based Compensation	137,001	155,875
EBITDA	\$ 402,571	\$ 1,006,250

About First Choice Healthcare Solutions, Inc.

Headquartered in Melbourne, Florida, First Choice Healthcare Solutions (FCHS) is actively engaged in developing a network of multi-specialty medical centers of excellence throughout the southeastern U.S., which are distinguished as premier destinations for clinically superior, patient-centric care. Through its wholly owned subsidiary FCID Medical, Inc., the Company currently operates one Medical Center of Excellence, First Choice Medical Group of Brevard, which specializes in the delivery of musculoskeletal medicine and rehabilitative care. FCHS' commercial real estate interests, which house its medical centers of excellence, are managed by its wholly owned subsidiary, FCID Holdings, Inc. For more information, please visit www.myfchs.com or www.myfcmg.com.

Safe Harbor Statement

Certain information set forth in this news announcement may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of First Choice Healthcare Solutions, Inc. Such forward-looking statements are based on current expectations, estimates and projections about the Company's industry, management beliefs and certain assumptions made by its management. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Information concerning factors that could cause the Company's actual results to differ materially from those contained in these forward-looking statements can be found in the Company's periodic reports on Form 10-K and Form 10-Q, and in its Current Reports on Form 8-K, filed with the Securities and Exchange Commission. Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise to reflect future events or circumstances or reflect the occurrence of unanticipated events.

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