

May 18, 2015



First Choice Healthcare Reports Profitable Results for First Quarter 2015

Revenues Rose 12% to \$2.51 Million; Notwithstanding Non-Cash Expenses, Income From Operations Climbed to Approximately \$767,000; and Net Income Increased 187% to \$31,000

MELBOURNE, FL -- (Marketwired) -- 05/18/15 -- [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 reported its first quarter financial results for the three months ended March 31, 2015.

Financial Highlights for the Three Months Ended March 31, 2015 Compared to the Three Months Ended March 31, 2014:

- Total revenues increased 12% to \$2,505,167 from \$2,234,753.
 - Net patient service revenues generated by our flagship Medical Center of Excellence, First Choice Medical Group, grew 14% to \$2,240,065 -- up from \$1,972,830.
 - Rental revenue produced by our real estate subsidiary, Marina Towers, LLC, rose modestly to \$265,103 from \$261,923.
- Income from operations climbed 108% to \$413,769 from \$199,310. Notwithstanding non-cash expenses totaling \$353,669 for stock-based compensation, depreciation and amortization; income from operations totaled \$767,438 for the first quarter of 2015, compared to \$388,078 in the same three month period in 2014 after factoring \$188,769 in non-cash stock-based compensation, depreciation and amortization.
- Net income increased 187% to \$30,689, or \$0.00 earnings per basic and diluted share, from a net loss of \$35,099, or \$0.00 loss per basic and diluted share.
- Net cash used in the Company's operating activities improved 46% to \$173,931 from \$320,305.

As of March 31, 2015, First Choice had cash and restricted cash totaling \$497,531; accounts receivable of \$2,252,053 and total stockholders' deficit of \$2,652,494. Subsequent to the end of the quarter, the Company's lender, Hillar Capital Investments, L.P. converted \$680,000 of the \$2,320,000 8% original issue discount convertible debenture. As a consequence, the outstanding principal amount and interest of the debenture, as of May 1,

2015, has been reduced to \$1.53 million.

Earlier last week, the Company announced that through its newly formed wholly-owned subsidiary, TBC Holdings of Melbourne, Inc., it had expanded its portfolio of Medical Centers of Excellence located in Florida's Space Coast region with the addition of Brevard Orthopaedic Spine & Pain Center, Inc., dba The B.A.C.K. Center, to its medical business-building platform. TBC Holdings will exercise effective control over the business of the practice, and treat it as a variable interest entity, effective as of May 1, 2015. As a result, beginning with the release of First Choice's second quarter 2015 results, the Company will include the financial results of The B.A.C.K. Center in its consolidated financial statements in accordance with generally accepted accounting principles as if it was a wholly owned subsidiary.

Christian Romandetti, Chairman, President and CEO of First Choice, stated, "We are very pleased with our Company's strong financial performance in the first quarter of 2015, during which time our Medical Centers of Excellence platform continued to demonstrate that our operations are materially benefitting from key efficiencies that we have continued to implement over the past year. In view of our recent transaction involving The B.A.C.K. Center, which will allow us to book The B.A.C.K. Center's May and June results, we fully expect that our future quarterly growth will be even more pronounced, with our revenues forecasted to increase to more than \$4.8 million in the second quarter."

Continuing, Romandetti said, "As we move through 2015, we will look to continue executing other planned expansion strategies, driving stronger cash flow while paying down our higher cost debt. Given the notable progress we achieved in the first quarter and the momentum we are currently experiencing in our medical business-building business, we feel very optimistic that this year will continue to prove to be our best one yet."

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2015 <u>(unaudited)</u>	December 31, 2014 <u></u>
ASSETS		
Current assets		
Cash	\$ 112,794	\$ 279,087
Cash-restricted	384,737	318,259
Accounts receivable, net	2,252,053	1,804,636
Prepaid and other current assets	127,221	153,296
Capitalized financing costs, current portion	<u>68,370</u>	<u>68,370</u>
Total current assets	<u>2,945,175</u>	<u>2,623,648</u>
Property, plant and equipment, net of accumulated depreciation of \$2,602,845 and \$2,472,111	<u>8,171,848</u>	<u>8,294,298</u>
Other assets		

Capitalized financing costs, long term portion	17,089	37,775
Patient list, net of accumulated amortization of \$60,000 and \$55,000	240,000	245,000
Patents, net of amortization of \$23,875 and \$19,100	262,625	267,400
Deposits	2,571	2,571
Total other assets	<u>522,285</u>	<u>552,746</u>
Total assets	<u>\$ 11,639,308</u>	<u>\$ 11,470,692</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,360,890	\$ 1,457,275
Stock based payable	220,000	537,750
Advances	298,000	224,000
Line of credit, short term	1,377,000	1,237,000
Convertible note payable, short term portion	2,192,099	2,148,835
Notes payable, current portion	684,904	732,791
Unearned revenue	51,639	38,763
Total current liabilities	<u>6,184,532</u>	<u>6,376,414</u>
Long term debt:		
Deposits held	72,901	72,901
Notes payable, long term portion	8,034,369	8,184,560
Total long term debt	<u>8,107,270</u>	<u>8,257,461</u>
Total liabilities	<u>14,291,802</u>	<u>14,633,875</u>
Stockholders' deficit		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized, Nil issued and outstanding	-	-
Common stock, \$0.001 par value; 100,000,000 shares authorized, 18,432,055 and 17,951,055 shares issued and outstanding as of March 31, 2015 and December 31, 2014, respectively	18,432	17,951
Additional paid in capital	13,151,461	12,671,942
Accumulated deficit	<u>(15,822,387)</u>	<u>(15,853,076)</u>
Total stockholders' deficit	<u>(2,652,494)</u>	<u>(3,163,183)</u>
Total liabilities and stockholders' deficit	<u>\$ 11,639,308</u>	<u>\$ 11,470,692</u>

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

Three Months Ended March 31,

	<u>2015</u>	<u>2014</u>
Revenues:		
Patient service revenue	\$ 2,285,288	\$ 2,010,974
Provision for bad debts	<u>(45,224)</u>	<u>(38,144)</u>
Net patient service revenue less provision for bad debts	2,240,064	1,972,830
Rental Revenue	<u>265,103</u>	<u>261,923</u>
Total Revenue	2,505,167	2,234,753
Operating expenses:		
Salaries and benefits	946,120	1,065,521
Other operating expenses	451,485	429,291
General and administrative	553,284	405,912
Depreciation and amortization	<u>140,509</u>	<u>134,719</u>
Total operating expenses	<u>2,091,398</u>	<u>2,035,443</u>
Net income from operations	413,769	199,310
Other income (expense):		
Miscellaneous income	750	750
Amortization financing costs	(20,686)	(15,906)
Interest expense, net	<u>(363,144)</u>	<u>(219,253)</u>
Total other expense	<u>(383,080)</u>	<u>(234,409)</u>
Net income (loss) before provision for income taxes	30,689	(35,099)
Income taxes (benefit)	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ 30,689</u>	<u>\$ (35,099)</u>
Net Income (loss) per common share, basic	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Net Income (loss) per common share, diluted	<u>\$ 0.00</u>	<u>\$ (0.00)</u>
Weighted average number of common shares outstanding, basic	<u>18,062,466</u>	<u>16,756,648</u>
Weighted average number of common shares outstanding, diluted	<u>22,090,565</u>	<u>16,756,648</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Three Months Ended March 31,	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	\$ 30,689	\$ (35,099)

Adjustments to reconcile net income (loss) to cash used in operating activities:

Depreciation and amortization	140,509	129,940
Amortization of financing costs	20,686	20,685
Bad debt expense	45,224	38,144
Common stock issued in connection with loan extension	99,000	-
Stock-based compensation	48,250	-
Changes in operating assets and liabilities:		
Accounts receivable	(492,641)	(512,989)
Prepaid expenses and other	26,075	(12,579)
Restricted funds	(66,478)	(47,526)
Accounts payable and accrued expenses	(38,121)	124,299
Unearned income	12,876	(25,180)
Net cash used in operating activities	<u>(173,931)</u>	<u>(320,305)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	<u>(8,284)</u>	<u>(10,998)</u>
Net cash used in investing activities	(8,284)	(10,998)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from advances	74,000	-
Proceeds from lines of credit	140,000	100,000
Net payments on notes payable	<u>(198,078)</u>	<u>(197,238)</u>
Net cash provided by (used in) financing activities	15,922	(97,238)
Net decrease in cash and cash equivalents	(67,293)	(428,541)
Cash and cash equivalents, beginning of period	<u>279,087</u>	<u>739,158</u>
Cash and cash equivalents, end of period	<u>\$ 112,794</u>	<u>\$ 310,617</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid during the period for interest	<u>\$ 264,144</u>	<u>\$ 310,617</u>
Cash paid during the period for taxes	<u>\$ -</u>	<u>\$ -</u>

Supplemental Disclosure on non-cash investing and financing activities:

Common stock issued in settlement of accrued expenses	<u>\$ 15,000</u>	<u>\$ 22,240</u>
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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 First Choice Medical Group of Brevard (FCMG), First Choice's flagship Medical Center of Excellence which specializes in the delivery of neurological and musculoskeletal medicine and rehabilitative care; and through its wholly owned subsidiary TBC Holdings of Melbourne, Inc., it operates Brevard Orthopaedic Spine & Pain Center, Inc., dba The B.A.C.K. Center, which focuses on orthopaedic spine and pain medicine. FCHS' commercial real estate interests, which houses FCMG, are managed by its wholly owned subsidiary, FCID Holdings, Inc. For more information, please visit www.myfchs.com, www.myfcmg.com and www.thebackcenter.net.

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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