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First Choice Healthcare Solutions Announces 105% Revenue Growth in Second Quarter 2015

All Business Segments Post Profitable Operating Results; Key Expansion Materially Strengthens Balance Sheet and Delivers Positive Shareholder Equity

MELBOURNE, FL -- (Marketwired) -- 08/17/15 -- [First Choice Healthcare Solutions, Inc.](#) (OTCQB: FCHS) ("FCHS," "First Choice" or the "Company"), 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 record second quarter financial results for the three and six months ended June 30, 2015.

Financial Highlights for the Three Months Ended June 30, 2015 Compared to Three Months Ended June 30, 2014:

- Total **revenues climbed 105%** to \$4,324,314, up from \$2,107,164
 - [The B.A.C.K. Center](#), which entered an Operations and Control Agreement with First Choice on May 1, 2015, contributed \$1,930,820 in patient service revenue and \$256,132 in rental revenue in the second quarter 2015; and produced net income of \$26,882.
 - Patient service revenue generated by [First Choice Medical Group](#) rose to \$1,873,219 from \$1,848,441 on a comparable quarter-over-quarter basis; and grew net income 349% to \$68,295 when compared to a net loss of \$27,460 in the prior year's second quarter.
 - Rental revenue produced by the Company's real estate subsidiary, Marina Towers, LLC, increased to \$375,512 from \$367,460; and net income rose 89% to \$66,329 from net income of \$35,695 when comparing the three month reporting periods in 2015 and 2014, respectively.
- As a result of expansion initiatives implemented in the second quarter, the Company's net loss increased 11% to \$496,729, or \$0.03 loss per basic and diluted share, compared to \$448,571, or \$0.03 loss per basic and diluted share.

Financial Highlights for the Six Months Ended June 30, 2015 Compared to Six

Months Ended June 30, 2014:

- Total revenues were \$6,829,482, representing a 57% increase when compared to \$4,341,917.
 - First Choice Medical Group's patient service revenues totaled \$4,113,283, rising 8% from \$3,821,271; and net income soared 253% to \$597,193, up from \$169,352.
 - Marina Towers' rental revenues increased modestly to \$750,833 from \$736,971; and net income totaled \$119,375, rising 45% from \$82,155.
- Net loss for the first six months of 2015 decreased 4% to \$466,040, or \$0.03 loss per basic and diluted share, compared to a net loss of \$483,670, or \$0.03 loss per basic and diluted share, posted for the first six months of 2014.
- Net cash provided by the Company's operating activities for the first six months of 2015 materially increased to \$69,994, which compared to net cash used by its operating activities of \$549,037 in the same six month period in the prior year.
- **Shareholder equity increased** by \$4,189,901 to post positively at \$1,026,718 for the first six months of 2015.

As of June 30, 2015, the Company had cash and restricted cash totaling \$1,427,387; accounts receivable of \$4,489,477 and total stockholders' equity of \$1,026,718. This compared to \$597,346 in cash and restricted cash; accounts receivable of \$1,804,636 and total stockholders' deficit of \$3,163,183 as of December 31, 2014.

Subsequent to the end of the second quarter 2015, First Choice announced that the Company had extinguished the remaining outstanding principal balance and accrued interest of the 8% Original Issue Discount Secured Convertible Debenture issued to Hillair Capital Investments, L.P., which was due on November 1, 2015. As a result of extinguishing the Debenture three months prior to its maturity date, the Company expects to record a final non-cash gain in the third quarter of 2015, representing a \$1,161,641 increase to total shareholder equity as of September 30, 2015.

Christian Romandetti, Chairman, President and CEO of First Choice, stated, "Fueled by the addition of The B.A.C.K. Center to our growing network of Centers of Excellence in early May, First Choice's impressive financial performance in the second quarter is a direct reflection of our teams' exceptional execution of the many exciting growth initiatives we have undertaken since the first of the year. As we continue to invest in accelerating growth of our medical operations, while generating strong operating cash flow, First Choice will remain well positioned to capitalize on opportunities to further distinguish our Company as a leading, well-respected provider of superior, patient-centric healthcare in the markets we serve -- and a valued stockholding that our shareholders will be proud to hold in their investment portfolios."

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2015 (unaudited)	December 31, 2014
ASSETS		
Current assets		
Cash	\$ 1,054,565	\$ 279,087
Cash-restricted	372,822	318,259
Accounts receivable, net	4,489,477	1,804,636
Employee loans	577,286	-
Prepaid and other current assets	228,443	153,296
Capitalized financing costs, current portion	70,182	68,370
Total current assets	6,792,775	2,623,648
Property, plant and equipment, net of accumulated depreciation of \$4,014,681 and \$2,472,111	8,103,672	8,294,298
Other assets		
Deferred costs, net of amortization of \$53,774	3,172,653	-
Capitalized financing costs, long term portion	-	37,775
Patient list, net of accumulated amortization of \$65,000 and \$55,000	235,000	245,000
Patents, net of amortization of \$28,650 and \$19,100	257,850	267,400
Investments	23,026	-
Deposits	2,571	2,571
Total other assets	3,691,100	552,746
Total assets	\$ 18,587,547	\$ 11,470,692
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,502,168	\$ 1,457,275
Stock based payable	147,500	537,750
Advances	353,000	224,000
Line of credit, short term	2,474,982	1,237,000
Convertible note payable, short term portion	1,415,920	2,148,835
Notes payable, current portion	702,950	732,791
Unearned revenue	60,876	38,763
Deferred rent, short term portion	118,810	-
Total current liabilities	7,776,206	6,376,414

Long term debt:

Deposits held	67,432	72,901
Notes payable, long term portion	8,227,555	8,184,560
Deferred rent, long term portion	1,489,636	-
Total long term debt	<u>9,784,623</u>	<u>8,257,461</u>
Total liabilities	<u>17,560,829</u>	<u>14,633,875</u>
Stockholders' equity (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, 19,468,255 and 17,951,055 shares issued and outstanding as of June 30, 2015 and December 31, 2014, respectively	19,468	17,951
Additional paid in capital	17,465,052	12,671,942
Accumulated deficit	<u>(16,319,116)</u>	<u>(15,853,076)</u>
Total stockholders' equity (deficit) attributable to First Choice Healthcare Solutions, Inc.	1,165,404	(3,163,183)
Non-controlling interest (Note 10)	<u>(138,686)</u>	<u>-</u>
Total equity (deficit)	<u>1,026,718</u>	<u>(3,163,183)</u>
Total liabilities and equity	<u>\$ 18,733,531</u>	<u>\$ 11,470,692</u>

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

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Revenues:				
Patient service revenue	\$ 3,810,299	\$ 1,885,569	\$ 6,095,587	\$ 3,896,543
Provision for bad debts	<u>(6,260)</u>	<u>(37,128)</u>	<u>(51,484)</u>	<u>(75,272)</u>
Net patient service revenue less provision for bad debts	3,804,039	1,848,441	6,044,103	3,821,271
Rental revenue	<u>520,276</u>	<u>258,723</u>	<u>785,379</u>	<u>520,646</u>
Total revenue	4,324,314	2,107,164	6,829,482	4,341,917
Operating expenses:				
Salaries and benefits	2,125,481	1,090,806	3,071,601	2,156,327
Other operating expenses	563,422	427,056	1,014,907	856,347
General and administrative	1,649,870	669,208	2,203,154	1,075,120

Depreciation and amortization	<u>144,417</u>	<u>126,772</u>	<u>284,926</u>	<u>261,491</u>
Total operating expenses	<u>4,483,190</u>	<u>2,313,842</u>	<u>6,574,588</u>	<u>4,349,285</u>
Net income (loss) from operations	(158,875)	(206,678)	254,894	(7,368)
Other income (expense):				
Miscellaneous income	40,369	750	41,119	1,500
Amortization financing costs	(19,229)	(25,466)	(39,915)	(41,372)
Interest expense, net	<u>(358,994)</u>	<u>(217,177)</u>	<u>(722,138)</u>	<u>(436,430)</u>
Total other expense	<u>(337,854)</u>	<u>(241,893)</u>	<u>(720,934)</u>	<u>(476,302)</u>
Net loss before provision for income taxes	(496,729)	(448,571)	(466,040)	(483,670)
Income taxes (benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net loss	(496,729)	(448,571)	(466,040)	(483,670)
Non-controlling interest (Note 10)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Loss Attributable to First Choice Healthcare Solutions, Inc.	<u>\$ (496,729)</u>	<u>\$ (448,571)</u>	<u>\$ (466,040)</u>	<u>\$ (483,670)</u>
Net loss per common share, basic and diluted	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>18,999,475</u>	<u>16,988,149</u>	<u>18,533,559</u>	<u>16,873,038</u>

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

	Six months ended June 30,	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (loss)	\$ (466,040)	\$ (483,670)
Adjustments to reconcile net loss to cash provided by operating activities:		

Depreciation and amortization	338,700	261,491
Amortization of financing costs	39,915	41,371
Bad debt expense	51,484	75,272
Common stock issued in connection with loan extension	227,000	-
Stock based compensation	139,750	96,000
Changes in operating assets and liabilities:		
Accounts receivable	(556,635)	(858,362)
Prepaid expenses and other	237,431	(85,044)
Restricted funds	(54,563)	(25,207)
Employee loans	(103,654)	-
Accounts payable and accrued expenses	160,359	453,192
Deposits	(5,469)	-
Deferred rent	39,603	-
Unearned income	22,113	(24,080)
Net cash provided by (used in) operating activities	<u>69,994</u>	<u>(549,037)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash from variable interest entity	679,673	-
Purchase of equipment	<u>(40,065)</u>	<u>(87,982)</u>
Net cash used in investing activities	639,608	(87,982)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from advances	129,000	-
Proceeds from lines of credit	355,656	350,000
Net payments on notes payable	<u>(40,065)</u>	<u>(381,327)</u>
Net cash provided by (used in) financing activities	65,876	(31,327)
Net increase (decrease) in cash and cash equivalents	775,478	(668,346)
Cash and cash equivalents, beginning of period	<u>279,087</u>	<u>739,158</u>
Cash and cash equivalents, end of period	<u>\$ 1,054,565</u>	<u>\$ 70,812</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Cash paid during the period for interest	<u>\$ 594,211</u>	<u>\$ 436,528</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>\$ 166,340</u>
Common stock issued in settlement of line of credit	<u>\$ -</u>	<u>\$ 150,000</u>
Common stock issued in settlement of convertible note and interest	<u>\$ 811,200</u>	<u>\$ 208,700</u>
Fair value of options issued to acquire management		

control of variable interest entity

\$ 3,226,427 \$ -

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. Serving Florida's Space Coast, FCHS' Centers of Excellence include First Choice Medical Group of Brevard (FCMG), which specializes in the delivery of neurological and musculoskeletal medicine and rehabilitative care; and 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 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.

For additional information, please contact:

First Choice Healthcare Solutions, Inc.

Julie Hardesty

800-914-0090, Extension 288

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