

April 15, 2016



First Choice Healthcare Solutions Exceeds 2015 Revenue Guidance and Reiterates 2016 Revenue Guidance of \$30 Million

Year-Over-Year Revenues Climb 141% to \$19.5 Million From \$8.1 Million; Non-GAAP EBITDA Rose 49% to \$3.09 Million From \$2.08 Million; Management to Host Conference Call and Webcast on Wednesday, April 20 Beginning at 10:00 AM ET

MELBOURNE, FL -- (Marketwired) -- 04/15/16 -- [***First Choice Healthcare Solutions, Inc.***](#) (OTCQB: FCHS) ("FCHS," "First Choice" or the "Company"), one of the nation's only non-physician-owned, publicly traded healthcare services companies focused on the delivery of Orthopaedic care and treatment, today announced its 2015 year-end financial results for the 12 months ended December 31, 2015.

During and subsequent to the end of 2015, First Choice accomplished several strategic objectives set forth by management when the year began, including expanding its medical operations in Melbourne, Florida to provide for its first fully integrated healthcare system with the addition of The B.A.C.K. Center and Crane Creek Surgery Center. As a consequence, the Company has exceeded its revenue guidance of \$19.4 million for 2015 and remains on pace to meet or exceed its formal revenue guidance of \$30 million for 2016. Moreover, the recent \$15.45 million sale and leaseback of Marina Towers has materially strengthened the Company's balance sheet, providing the resources required to accelerate its growth in the current year.

Key 2015 Financial Highlights Compared to 2014

- Marking another record revenue year for First Choice, total revenue increased 141% to \$19,517,664 from \$8,102,602, which exceeded the Company's formal revenue guidance of \$19.4 million. As noted, First Choice has reiterated \$30 million in total revenues as formal revenue guidance for 2016.
 - Net patient service revenue was \$17,770,697 of total revenue in 2015, up from \$7,053,608 in 2014, after factoring provision for bad debts. The notable increase is attributable to the revenue contributions of The B.A.C.K. Center and Crane Creek Surgery Center, which were Variable Interest Entity transactions that became effective May 1, 2015 and October 1, 2015,

respectively.

- Rental revenue from the Company's real estate interests was \$1,746,967, compared to \$1,048,999 in the prior year.
- On a non-GAAP basis, Adjusted EBITDA rose 49% to \$3,090,092 from \$2,080,091.
- Net cash generated by the Company's operating activities in 2015 increased to \$483,930, which compared to net cash used in its operating activities in 2014 of \$363,937.
- As of December 31, 2015, First Choice had cash and restricted cash totaling \$1,954,412, which compared to \$597,346 in the prior year; and accounts receivable of \$6,623,894 million, up from \$1,804,636 in 2014.
- Subsequent to the end of 2015, the Company completed the \$15.45 million sale and leaseback of its real estate holding, Marina Towers, netting approximately \$8 million in cash. As of March 31, 2016, First Choice's unaudited cash and restricted cash position had increased to approximately \$9.45 million.
- Total shareholders' equity increased \$6.20 million, rising to \$3,038,733 as of December 31, 2015 as compared to a total shareholders' deficit of \$3,163,183 reported as of December 31, 2014.

Commenting on the results, Christian Romandetti, President and CEO of First Choice, stated, "2015 proved to be a transformational year for First Choice Healthcare Solutions and one that has set the stage for achieving even greater growth in the current year. The combination of The B.A.C.K. Center and Crane Creek Surgery Center with First Choice Medical Group has served to form our first fully integrated healthcare system in Melbourne, Florida, which now represents the model for scaling and replicating our system in other geographic markets in the Southeastern U.S. later this year."

Continuing, Romandetti said, "With the sale and leaseback of Marina Towers last month, our balance sheet is now notably stronger. Moreover, by successfully leveraging the cash we netted in the sale, we believe we are in an ideal position to accelerate execution of our primary growth strategies. These include promoting aggressive organic growth of our medical operations through the recruitment of additional best-in-class physicians to our Melbourne system, as well as pursuing attractive acquisitions or physician recruiting opportunities in our targeted expansion markets."

"We are very proud of the many successes we have achieved in the past 15 months and look forward to building on this momentum in 2016 and beyond. Based on preliminary review of our strong first quarter results, coupled with our growth expectations, we are very comfortable reiterating our formal revenue guidance of \$30 million for 2016. As the year unfolds, we intend to provide ongoing updates to our annual revenue forecast, as necessary," concluded Romandetti.

Details for Conference Call and Webcast

First Choice will host a conference call and webcast for the investment community on Wednesday, April 20, 2016, beginning at 10:00 AM Eastern Time to discuss the results and recent corporate developments.

Participants can register for the conference by navigating to <http://dpregrister.com/10084382>. Please note that registered participants will receive the dial-in number upon registration. The conference call will also be webcasted in listen-only mode, and can be accessed through First Choice's investor relations website by navigating to <http://ir.myfchs.com/ir-calendar> and clicking on the **2015 Fiscal Year-End Financial Results Conference Call**. Webcast participants will also be required to register to access the call.

In advance of the call and webcast, investors are invited to email specific questions to First Choice by sending them to info@myfchs.com. Notwithstanding time constraints, management will endeavor to respond to these questions during the call. For those who cannot participate in the live broadcast, a replay will be available shortly after the call on the investor relations page of First Choice's website, found at <http://ir.myfchs.com/>.

About Non-GAAP Financial Measures

To supplement our consolidated financial statements, which are prepared and presented in accordance with GAAP, we use non-GAAP EBITDA. The presentation of this financial information is not intended to be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. We use this non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Our management believes that this non-GAAP financial measure provides meaningful supplemental information regarding our performance and liquidity by excluding certain items that may not be indicative of our recurring core business operating results. We believe that both management and investors benefit from referring to this non-GAAP financial measure in assessing our performance and when planning, forecasting, and analyzing future periods. This non-GAAP financial measure also facilitates management's internal comparisons to our historical performance and liquidity. We believe this non-GAAP financial measure is useful to investors both because they allow for greater transparency with respect to a key metric used by management in its financial and operational decision-making. For more information on this non-GAAP financial measure, please see the table captioned "Reconciliation of non-GAAP Adjusted EBITDA Performance."

For additional details relating to First Choice's 2015 year-end results, please refer to the Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission and found at www.sec.gov.

FIRST CHOICE HEALTHCARE SOLUTIONS, INC. CONSOLIDATED BALANCE SHEETS

Year ended December 31,

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets		
Cash (amounts related to VIE of \$1,556,303 and \$-0-)	\$ 1,594,998	\$ 279,087
Cash-restricted	359,414	318,259
Accounts receivable, net (amounts related to VIE of \$4,544,308 and \$-0-)	6,623,894	1,804,636
Employee loans (amounts related to VIE of \$636,293 and \$-0-)	672,293	-
Prepaid and other current assets (amounts related to VIE of \$183,465 and \$-0-)	316,773	153,296
Capitalized financing costs, current portion (amounts related to VIE of \$1,317 and \$-0-)	39,533	68,370
Total current assets	<u>9,606,905</u>	<u>2,623,648</u>
Property, plant and equipment, net of accumulated depreciation of \$3,075,648 and \$2,472,111 (amounts related to VIE of \$773,808 and \$-0-)	<u>8,613,502</u>	<u>8,294,298</u>
Other assets		
Goodwill (amount relating to VIE of \$899,465 and \$-0-)	899,465	-
Deferred costs, net of amortization of \$215,096	3,011,331	-
Capitalized financing costs, long term portion	-	37,775
Patient list, net of accumulated amortization of \$75,000 and \$55,000	225,000	245,000
Patents, net of accumulated amortization of \$38,200 and \$19,100	248,300	267,400
Investments (amounts related to VIE of \$16,914 and \$-0-)	16,914	-
Deposits	2,571	2,571
Total other assets	<u>4,403,581</u>	<u>552,746</u>
Total assets	<u>\$ 22,623,988</u>	<u>\$ 11,470,692</u>

LIABILITIES AND EQUITY (DEFICIT)

Current liabilities		
Accounts payable and accrued expenses (amounts related to VIE of \$2,319,056 and \$-0-)	\$ 3,937,244	\$ 1,457,275
Accounts payable, related party (amount related to VIE of \$251,588 and \$-0-)	251,588	-
Stock based payable	1,198,900	537,750
Advances	43,082	224,000
Settlement payable	600,000	-

Line of credit, short term (amount related to VIE of \$416,888 and \$-0-)	2,566,888	1,237,000
Convertible note payable, short term portion	-	2,148,835
Note payable, related party, current portion (amount related to VIE of \$428,645 and \$-0-)	428,645	
Notes payable, current portion	7,652,941	732,791
Unearned revenue	42,704	38,763
Deferred rent, short term portion (amount related to VIE of \$118,810 and \$-0-)	118,810	-
Total current liabilities	<u>16,840,802</u>	<u>6,376,414</u>
Long term debt:		
Deposits held	67,432	72,901
Notes payable, long term portion	535,822	8,184,560
Deferred rent, long term portion (amount related to VIE of \$2,141,199 and \$-0-)	2,141,199	-
Total long term debt	<u>2,744,453</u>	<u>8,257,461</u>
Total liabilities	<u>19,585,255</u>	<u>14,633,875</u>
Commitments and contingencies	-	-
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, 22,867,626 and 17,951,055 shares issued and outstanding as of December 31, 2015 and 2014, respectively	22,868	17,951
Common stock subscription	175,000	-
Additional paid in capital	21,196,792	12,671,942
Accumulated deficit	<u>(19,274,917)</u>	<u>(15,853,076)</u>
Total stockholders' equity (deficit) attributable to First Choice Healthcare Solutions, Inc.	2,119,743	(3,163,183)
Non-controlling interest (note 15)	918,990	-
Total equity (deficit)	<u>3,038,733</u>	<u>(3,163,183)</u>
Total liabilities and equity (deficit)	<u>\$ 22,623,988</u>	<u>\$ 11,470,692</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONSOLIDATED STATEMENTS OF OPERATIONS

As of Year ended December 31,
2015 **2014**

Revenues:

Patient Service Revenue	\$ 18,425,506	\$ 7,966,385
Provision for bad debts	<u>(654,809)</u>	<u>(912,782)</u>
Net patient service revenue less provision for bad debts	17,770,697	7,053,603
Rental Revenue	<u>1,746,967</u>	<u>1,048,999</u>
Total Revenue	19,517,664	8,102,602
Operating expenses:		
Salaries and benefits	9,337,740	4,761,573
Other operating expenses	2,099,568	1,897,780
General and administrative	7,144,538	2,434,259
Litigation settlement	2,017,208	-
Depreciation and amortization	<u>852,985</u>	<u>552,084</u>
Total operating expenses	<u>21,452,039</u>	<u>9,645,696</u>
Net loss from operations	(1,934,375)	(1,543,094)
Other income (expense):		
Miscellaneous income (expense)	27,023	3,000
Amortization financing costs	(75,833)	(82,744)
Interest expense, net	<u>(1,220,980)</u>	<u>(866,701)</u>
Total other expense	<u>(1,269,790)</u>	<u>(946,445)</u>
Net loss before provision for income taxes	(3,204,165)	(2,489,539)
Income taxes (benefit)	<u>-</u>	<u>-</u>
Net loss	(3,204,165)	(2,489,539)
Non-controlling interest (note 15)	<u>(217,676)</u>	<u>-</u>
NET LOSS ATTRIBUTABLE TO FIRST CHOICE HEALTHCARE SOLUTIONS, INC.	<u>\$ (3,421,841)</u>	<u>\$ (2,489,539)</u>
Net loss per common share, basic and diluted	<u>\$ (0.17)</u>	<u>\$ (0.14)</u>
Weighted average number of common shares outstanding, basic and diluted	<u>20,117,582</u>	<u>17,249,921</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended December 31,	
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	\$ (3,204,165)	\$ (2,489,539)
Adjustments to reconcile net loss to cash provided by operating activities:		
Depreciation and amortization	852,985	552,084

Amortization of financing costs	75,833	82,743
Bad debt expense	654,809	912,782
Loss on sale of equipment	1,908	-
Common stock issued in connection with loan extension	227,000	-
Common stock issued in settlement of litigation	500,250	-
Note payable issued in settlement of litigation	50,749	-
Stock-based compensation	2,344,927	997,750
Changes in operating assets and liabilities:		
Accounts receivable	(2,587,420)	(1,445,263)
Prepaid expenses and other	149,101	(12,574)
Restricted funds	(41,155)	(62,013)
Employee loans	(198,661)	-
Accounts payable and accrued expenses	922,295	1,136,264
Settlement payable	600,000	-
Deposits	(5,469)	-
Deferred rent	137,002	-
Unearned income	3,941	(36,171)
Net cash provided by (used in) operating activities	483,930	(363,937)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Cash from variable interest entity	843,996	-
Proceeds from sale of equipment	11,241	-
Payment of acquisition deposit	(560,000)	-
Purchase of equipment	(206,325)	(145,225)
Net cash provided by (used in) investing activities	88,912	(145,225)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from advances	474,488	224,000
Proceeds from notes payable, related party	420,000	-
Proceeds from common stock subscription	175,000	-
Proceeds from lines of credit	447,562	587,000
Net payments on notes payable	(773,981)	(761,909)
Net cash provided by financing activities	743,069	49,091
Net increase (decrease) in cash and cash equivalents	1,315,911	(460,071)
Cash and cash equivalents, beginning of period	279,087	739,158
Cash and cash equivalents, end of period	<u>\$ 1,594,998</u>	<u>\$ 279,087</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW

INFORMATION:

Cash paid during the period for interest	\$ 717,320	\$ 783,958
Cash paid during the period for taxes	\$ -	\$ -
Supplemental Disclosure on non-cash investing and financing activities:		
Common stock issued in settlement of accrued expenses	\$ 15,000	\$ 166,340
Common stock issued in settlement of related party advances	\$ 655,407	\$ -
Common stock issued in settlement of convertible note and related interest	\$ 2,236,907	\$ 486,557
Fair value of options issued to acquire management control of variable interest entity	\$ 3,226,427	\$ -
Assets acquired from consolidation of variable interest entities	\$ 5,294,412	\$ -
Liabilities incurred from consolidation of variable interest entities	\$ 5,294,680	\$ -

FIRST CHOICE HEALTHCARE SOLUTIONS, INC.
RECONCILIATION OF NON-GAAP ADJUSTED EBITDA PERFORMANCE

	<i>For the 12-Months Ended December 31,</i>	
	2015	2014
Net Loss	\$ (3,421,841)	\$ (2,489,539)
Amortization	75,833	82,744
Depreciation	852,985	552,084
Interest	1,220,980	2,489,539
Taxes	-	-
Stock-Based Compensation	2,344,927	1,445,263
One-Time Litigation Settlement	2,017,208	-
Total EBITDA	\$ 3,090,092	\$ 2,080,091

About First Choice Healthcare Solutions, Inc.

Headquartered in Melbourne, Florida, First Choice Healthcare Solutions (FCHS) is implementing a defined growth strategy aimed at building a network of localized, integrated healthcare systems comprised of non-physician-owned medical centers of excellence, which concentrate on treating patients in the following specialties: Orthopaedics, Spine Surgery, Neurology, Interventional Pain Management and related diagnostic and ancillary services in key expansion markets throughout the Southeastern U.S. Serving Florida's Space Coast, the Company's flagship regional network currently administers over 100,000 patient visits each year and is comprised of First Choice Medical Group, The B.A.C.K. Center and Crane Creek Surgery Center. For more information,

please visit www.myfchs.com, www.myfcmg.com, www.thebackcenter.net and www.cranecreeksurgerycenter.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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