

May 9, 2018



First Choice Healthcare Solutions Reports First Quarter 2018 Results and Expansion into New Territory

MELBOURNE, Fla., May 09, 2018 (GLOBE NEWSWIRE) -- **First Choice Healthcare Solutions, Inc.** (OTCQB:FCHS) ("**First Choice**" or the "**Company**"), a fully integrated, non-physician-owned, publicly traded healthcare delivery platform providing a full life cycle of orthopaedic and spine care for patients through diagnosis, treatment and recovery, today reported its financial results for the three-month period ended March 31, 2018.

Chris Romandetti, President and CEO of First Choice, stated, "We are pleased to report that we achieved record net patient service revenue of \$8.2 million and over 51% Adjusted EBITDA growth year-over-year for the first quarter of 2018. With the recent strategic partnership with Steward Health Care we are happy to announce our expansion of the First Choice healthcare delivery platform into Indian River County, Florida. We are in the final steps of our site selection that will house our Indian River County platform. When completed, our facilities will include an imaging center, physical therapy locations and physician offices. We expect our new location will enable us to service up to an additional 3,000 surgeries per year. Given our positive first quarter 2018 results and our expansion into Vero Beach and Sebastian, Florida, we believe First Choice is well positioned to continue this momentum and growth in 2018 and beyond."

Recent Financial and Operational Highlights

- **32% Increase in surgery count over comparable quarter**
- **Crane Creek Surgery Center turned profitable in first quarter 2018**
- **Approaching 1,000 physical therapy visits per week**
- **Cash balance of \$8.5mm or \$0.26 per share**
- **DSO improved by 20%**
- **Extended invitations to three independent board members**

Financial Results for First Quarter of 2018

Total revenue was \$8.8 million for the first quarter of 2018, an increase of 14% compared to \$7.7 million for the same period in 2017.

Net income attributable to First Choice was \$279,338 for the first quarter of 2018, compared to net income of \$202,519 for the same period in 2017, representing an increase of 38%.

Non-GAAP adjusted EBITDA was \$736,077 for the first quarter of 2018, an increase of 51% compared to \$487,405 for the same period in 2017. *

Conference Call and Webcast Information

The Company will host a conference call with the investment community on Wednesday, May 9th at 11:00 a.m. Eastern Time featuring remarks by Chris Romandetti, President and CEO of First Choice, and Phillip Keller, CFO of First Choice.

To access the call, please use the following information:

Date:	Wednesday, May 9, 2018
Time:	11:00 a.m. EST, 8:00 a.m. PST
Toll-free dial-in number:	(866) 682-6100
International dial-in number:	(862) 298-0702

Please call the conference telephone number 5-10 minutes prior to the start time. An operator will register your name and organization. If you have any difficulty connecting with the conference call, please contact Gillian Lee at 321-725-0090 extension 160.

The conference call will be broadcast live and available for replay at <https://www.webcaster4.com/Webcast/Page/1527/25785> and via the investor relations section of the Company's website at <http://ir.myfchs.com/>.

(* Use of Non-GAAP Financial Information

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 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".

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 because of new information, future events, or otherwise to reflect future events or circumstances or reflect the occurrence of unanticipated events.

About First Choice Healthcare Solutions, Inc.

Headquartered in Melbourne, Florida, First Choice Healthcare Solutions (FCHS) is implementing a defined growth strategy aimed at expanding its network of non-physician-owned medical centers of excellence, which concentrate on treating patients in the following specialties: Orthopaedics, Spine Surgery, Interventional Pain Management, Physical Therapy and other ancillary and diagnostic services in key expansion markets throughout the U.S. Serving Florida's Space Coast, the Company's flagship integrated platform 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.

Contact Information:

First Choice Healthcare Solutions, Inc.

Gillian Lee

Phone: 321-725-0090 ext. 160

Email: IR@myfchs.com

Investor Contact:

Scott Eckstein / Allison Soss

KCSA Strategic Communications

Phone: +1 (212) 896-1210/+1 (212) 896-1267

Email: FCHS@KCSA.com

ASSETS	2018 unaudited	2017
Current assets		
Cash	\$ 8,474,437	\$ 2,015,534
Accounts receivable, net	9,908,563	8,699,714
Employee loans	1,268,487	1,155,109
Prepaid and other current assets	630,285	676,931
Total current assets	20,281,772	12,547,288
Property, plant and equipment, net	2,519,638	2,295,163
Other assets	3,824,483	3,908,781
Total assets	\$ 26,625,893	\$ 18,751,232
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,545,295	\$ 2,379,404
Accounts payable, related party	251,588	251,588
AMT tax payable	230,037	223,899
Line of credit, short term	440,024	440,024
Notes payable, current portion	49,515	29,552
Unearned revenue	44,557	44,607
Deferred rent, short term portion	81,410	105,171
Total current liabilities	3,642,426	3,474,245
Long term liabilities:		
Deposits held	41,930	41,930
Line of Credit	1,100,000	1,100,000
Notes payable, long term portion	149,288	60,146
Deferred rent, long term portion	2,641,579	2,589,568
Total long term	3,932,797	3,791,644
Total liabilities	7,575,223	7,265,889
Temporary equity 2022 Put option	7,500,000	-
Equity		
Preferred stock	-	-
Common stock	32,172	27,357
Additional paid in capital	24,982,457	25,185,487
Treasury stock	-	(249,265)
Accumulated deficit	(13,709,680)	(13,989,018)
Total stockholders' equity attributable to FCHS	11,304,949	10,974,561
Non-controlling interest (note 12)	245,721	510,782
Total equity	11,550,670	11,485,343
Total liabilities and equity	\$ 26,625,893	\$ 18,751,232

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the three months ended March 31,	
	2018	2017
Revenues:	unaudited	unaudited
Patient Service Revenue	\$ 8,481,672	\$ 7,406,986

Allowance for bad debts	<u>(278,562)</u>	<u>(264,996)</u>
Net patient service revenue less provision for bad debts	8,203,110	7,141,990
Rental Revenue	582,787	578,363
Total Revenue	<u>8,785,897</u>	<u>7,720,353</u>
Operating expenses:		
Salaries and benefits	4,329,285	3,716,375
Other operating expenses	2,632,786	2,529,183
General and administrative	1,353,836	1,173,834
Depreciation and amortization	<u>201,912</u>	<u>189,488</u>
Total operating expenses	<u>8,517,819</u>	<u>7,608,880</u>
Net (loss) income from operations	268,078	111,473
Other income (expense):		
Miscellaneous income (expense)	40,322	50,102
Interest expense, net	<u>(23,512)</u>	<u>(32,074)</u>
Total other income	<u>16,810</u>	<u>18,028</u>
Net (loss) income before provision for income taxes	284,888	129,501
Income taxes (benefit)	<u>-</u>	<u>-</u>
Net (loss) income	284,888	129,501
Non-controlling interest (note 10)	<u>(5,550)</u>	<u>73,018</u>
NET (LOSS) INCOME ATTRIBUTABLE TO FIRST CHOICE HEALTHCARE SOLUTIONS, INC.	<u>\$ 279,338</u>	<u>\$ 202,519</u>
Net (loss) income per common share, basic	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Net (loss) income per common share, diluted	<u>\$ 0.01</u>	<u>\$ 0.01</u>
Weighted average number of common shares outstanding, basic	<u>28,610,793</u>	<u>26,252,505</u>
Weighted average number of common shares outstanding, diluted	<u>29,410,793</u>	<u>27,052,505</u>

**FIRST CHOICE HEALTHCARE SOLUTIONS, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	For the three months ended March 31,	
	2018	2017
	unaudited	unaudited
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income	\$ 284,888	\$ 129,501
Adjustments to reconcile net income to cash used in operating activities:		
Depreciation and amortization	201,912	189,488
Bad debt expense	278,562	264,996
Stock based compensation	180,439	63,324
Changes in operating assets and liabilities:		
Accounts receivable	(1,487,411)	(1,118,306)
Prepaid expenses and other current assets	46,646	(229,258)

Employee loans	(113,378)	(132,791)
Accounts payable and accrued expenses	165,891	353,849
Deferred rent	28,250	51,871
Unearned income	(50)	16,918
Net cash used in operating activities	<u>(414,251)</u>	<u>(410,408)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of 25% interest in Crane Creek	(400,000)	-
Purchase of equipment	(335,951)	(173,729)
Net cash (used in) provided by investing activities	<u>(735,951)</u>	<u>(173,729)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from sale of common stock	7,500,000	-
Proceeds from notes payable	120,709	22,113
Purchase of treasury stock	(11,604)	(130,125)
Net cash provided by (used in) financing activities	<u>7,609,105</u>	<u>(108,012)</u>
Net increase in cash, cash equivalents and restricted cash	6,458,903	(692,149)
Cash and cash equivalents, beginning of period	<u>2,015,534</u>	<u>4,593,638</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 8,474,437</u>	<u>\$ 3,901,489</u>

FIRST CHOICE HEALTHCARE SOLUTIONS, INC
NON GAAP EBITDA

	For the three months ended March	
	2018	2017
NET (LOSS) INCOME ATTRIBUTABLE TO FIRST CHOICE HEALTHCARE SOLUTIONS	\$ 279,338	\$ 202,519
Interest	23,512	32,074
Taxes	-	-
Depreciation and Amortization	201,912	189,488
Stock Based Compensation	231,315	63,324
Adjusted EBITDA	<u>736,077</u>	<u>487,405</u>
	8.4 %	6.3 %



Source: First Choice Healthcare Solutions, Inc.